# 5 Vocational education and training

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| Attachment tables |
| Attachment tables are identified in references throughout this chapter by a ‘5A’ prefix (for example, table 5A.1). A full list of attachment tables is provided at the end of this chapter, and the attachment tables are available from the Review website at www.pc.gov.au/gsp. |
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This chapter reports performance information about the equity, effectiveness and efficiency of government funded vocational education and training (VET) in Australia. The VET system (including apprenticeships and traineeships) delivers employment related skills across a wide range of vocations. It provides Australians with the skills to enter or re-enter the labour force, retrain for a new job or upgrade skills for an existing job. The VET system includes government and privately funded VET delivered through a number of methods by a wide range of training institutions and enterprises.

The focus of this chapter is on VET services delivered by providers receiving government funding, which includes training activity funded under the *National Agreement for Skills and Workforce Development* (NASWD). These services include the provision of VET programs in government owned technical and further education (TAFE) institutes and universities with TAFE divisions, other government and community institutions, and government funded activity by private registered training organisations (RTOs). The scope of this chapter does not extend to VET services provided in schools (which are within the scope of School education, chapter 4) or university education (some information on university education is included in the Child care, education and training sector overview B).

Major improvements to reporting on VET in this edition include:

* reporting additional data on VET graduates with improved employment and education/training status after training, in the outcome indicator ‘student employment and further study outcomes’
* reporting the number of modules and units of competency completed as a combined measure, in the outcome indicator ‘skill profile’
* expansion of time series data in attachment tables for various measures within the outcome indicators ‘student employment and further study outcomes’ and ‘student satisfaction with VET’.

## 5.1 Profile of vocational education and training

### Service overview

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.

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

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| Box 5.1 Diversity of the VET system |
| Vocational education and training (VET) programs range from a single module or unit of competency (which can involve fewer than 10 contact hours) to associate degrees (which can involve up to four years of study). All training in the VET system needs to be assessed, because many students complete modules or units of competency without intending to complete a course or qualification.  The types of training range from formal classroom learning to workplace-based learning, and can include flexible, self-paced learning and/or online training, often in combination. Also included are apprenticeships/traineeships (referred to as Australian Apprenticeships), which combine employment and competency-based training, including both formalised training and on-the-job training. 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 technical and further education (TAFE) institutes, agricultural colleges and private training businesses; adult community education (ACE) providers; secondary schools and colleges; universities; industry and community bodies with a registered training organisation (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. |
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### Expenditure

Recurrent expenditure on VET by Australian, State and Territory governments totalled $6.0 billion in 2012 — an increase of 3.2 per cent (in real terms) from 2011, and a 24.3 per cent increase (in real terms) from 2008 to 2012, equivalent to an average annual increase of 5.6 per cent (table 5A.1). Government recurrent expenditure was equal to $397.77 per person aged 15–64 years across Australia in 2012 (table 5A.2). Further information on the breakdown of real funding by jurisdictions is available in attachment tables 5A.1 for 2003 to 2012 and 5A.2 and 5A.8 for 2008 to 2012.

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

Figure 5.1 Scope of reporting

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| **Figure 5.1 - Scope of reporting.   More details can be found within the text surrounding this image.** |

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| Box 5.2 Scope of VET reporting |
| Where this chapter refers to ‘government funded’ activity, it is defined as VET activity that is funded under Commonwealth and State/Territory recurrent, Commonwealth specific and State/Territory specific funding. This includes activity funded under the NASWD. Any government funded training activity that a student undertakes, regardless of whether or not it forms the majority of their course of training, is in scope of this Report. This definition of ‘government funded’ activity has been broadened, commencing with the 2011 Report. Until the 2010 Report, the VET activity reported was that funded by Commonwealth and State recurrent funding under the *Commonwealth–State Agreement for Skilling Australia’s Workforce* (CSASAW) (replaced by the NASWD on 1 January 2009). Historical data in this chapter reflect the revised definition of ‘government funded’ activity. Some other VET activity is beyond the scope of this chapter and is not reported.  Data on student participation, efficiency measures, student achievement, Qualification Equivalents, and competencies/modules completed in this chapter are limited to services that are government funded. These include VET services provided by:   * TAFE and other government providers, including multi-sector higher education institutions * registered community providers and registered private providers.   Where the chapter refers to VET activity, it is defined as all VET data available for reporting, unless otherwise specified.  The discussion in this chapter of student outcomes and student satisfaction focuses on students undertaking government funded training.  Data on qualifications completed include both government and non-government funded VET students attending TAFE, and only government funded students from private providers.  Data on employer engagement and satisfaction are on all nationally recognised training, from all provider types, irrespective of funding source. |
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### Size and scope

In 2012, 32.2 per cent of Australians aged 15–64 years held a certificate or diploma as their highest level qualification (table BA.29). These qualifications could have been completed in schools, VET institutions or higher education institutions.

The VET sector is large and varied. Qualifications vary significantly in length, level and field. Approximately 1.9 million people were reported as participating in VET programs at 22 486 locations across Australia in 2012 (NCVER unpublished, table 5A.3). The number of VET students increased by 3.3 per cent between 2011 and 2012, and increased by 14.3 per cent between 2008 and 2012 (NCVER unpublished).

Of the approximately 1.9 million VET students who were reported as participating in VET programs in 2012, 1.5 million students (79.6 per cent) were government funded (NCVER unpublished). The remaining 395 900 students participated on a fee‑for‑service basis as domestic students (18.8 per cent of all VET students) or were international students (1.6 per cent of all VET students). The proportion of domestic fee-for-service students decreased from 23.8 per cent of all VET students in 2008 to 18.8 per cent in 2012 (NCVER unpublished).

#### Students

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

Nationally, 1.5 million students participated in VET programs funded by government through State and Territory agencies in 2012 (table 5A.4). Approximately 25 per cent of government funded students were enrolled in apprenticeships and traineeships (NCVER unpublished).Participation by females aged 15–64 years was 9.8 per cent and participation by males aged 15–64 years was 10.1 per cent. The participation rate for the total population aged 15–64 years was 10.0 per cent (table 5A.11).

Between 2011 and 2012, the number of government funded students increased by 4.3 per cent (approximately 63 600 students) (table 5A.5). Between 2008 and 2012, the number of government funded VET students increased by 23.1 per cent (table 5A.5).

#### Hours

Government funded VET students participated in 478.7 million government funded annual hours in 2012. On average, each government funded VET student in 2012 received 309.4 hours of VET (table 5A.4).

#### Courses

VET qualifications range from non-award courses to certificates (levels I–IV), diplomas and above.In 2012, 13.5 per cent of government funded VET students were undertaking a diploma or above, 56.4 per cent were enrolled in a certificate level III or IV, 22.4 per cent were enrolled in a certificate level I or II or lower, and 7.7 per cent were enrolled in a course that did not lead directly to a qualification (table 5A.5).

Fields of study also varied. In 2011 (for which the latest data for qualifications completed are available), 28.7 per cent of qualifications completed by total VET students were in management and commerce, 18.9 per cent in society and culture, 16.8 per cent in engineering and related technologies and 7.2 per cent in food, hospitality and personal services. Other fields studied by government funded VET students included architecture and building; education; health; agriculture, environment and related studies; creative arts; information technology; and natural and physical sciences (NCVER unpublished).

Of the 1.5 million government funded VET students who participated in government funded VET programs in 2012, 124 719 (8.1 per cent) gained some recognition of prior learning (RPL) (table 5A.4).

#### Institutions

In 2012, government funded programs were delivered by 2110 RTOs at 22 486 locations (that is, TAFE, government funded locations and the locations of all other registered training providers, including private providers that receive government funding for VET delivery) (table 5A.3).

The infrastructure (physical non-current assets) of government owned TAFE institutions and TAFE divisions of universities was valued at $11.6 billion in 2012, of which 93.9 per cent comprised the value of land and buildings (table 5A.21). The value of net assets of government VET providers was $781.18 per person   
aged 15–64 years across Australia in 2012. Asset values per person varied across jurisdictions (table 5A.6).

### Roles and responsibilities

VET is an area of shared responsibility between governments and industry. Governments provide funding, develop national and jurisdictional policies for the training system and share responsibility for the regulation, governance and quality assurance of the VET sector.

State and Territory governments manage the delivery of VET within their jurisdictions and have traditionally provided approximately two thirds of the funding in the VET system. They facilitate the development and training of the public VET workforce and ensure the effective operation of the training market.

The Australian Government provides significant financial support to states and territories to support the national training systems through funding mechanisms under the Intergovernmental Agreement. The Australian Government also provides specific incentives, interventions and assistance for national priority areas.

The NASWD, which came into effect on 1 January 2009, set out the commitment between the Australian Government and State and Territory governments, to work towards increasing the skill levels of all Australians, including Indigenous Australians. A revised NASWD and a new National Partnership Agreement on Skills Reform were negotiated throughout 2011 and agreed by all states and territories at the Council of Australian Governments (COAG) meeting on 13 April 2012. The new national reporting relationships for 2012, summarised below and in figure 5.2, also reflect changes following the establishment of the Standing Council on Tertiary Education and, Skills and Employment (SCOTESE) in September 2011.

*Governance of the national training system*

SCOTESE was established in September 2011 by COAG to replace the Ministerial Council for Tertiary Education and Employment (MCTEE).

SCOTESE is a key decision-making body for the national training system. SCOTESE has high level policy responsibility for higher education, vocational education and training, including skills and workforce development, international education, adult community education and employment. SCOTESE sets strategic policy, priorities for training and makes decisions in relation to national training system funding, planning and performance.

Membership of SCOTESE comprises Australian Government, State and Territory government and New Zealand Government ministers with responsibility for tertiary education, skills and employment. SCOTESE is chaired by the member who represents the Australian Government.

SCOTESE is supported by a National Senior Officials Committee (NSOC) and four Principal Committees. NSOC implements SCOTESE decisions, drives national collaboration on training matters and monitors the effectiveness of the national training system. Principal Committees are action orientated groups that are generally chaired by Senior Officials, focus on strategic issues and report to SCOTESE through NSOC. The four Committees are:

* Workforce Development, Supply and Demand — provides advice on matters relating to short and long term workforce development, supply and demand issues to address emerging skills needs and impediments to workforce reforms with a view to improving productivity, participation and skills utilisation.
* Access and Participation — provides advice on matters relating to impediments to accessing tertiary education and employment, particularly amongst disadvantaged groups, and considers strategies to increase participation and attainment outcomes in tertiary education and employment.
* Data and Performance Measurement — provides advice on matters relating to performance against tertiary education national targets, data collection and measurement, approaches to the public provision of high quality information and opportunities to resolve data issues such as common definitions and comparability.
* Tertiary Education Quality and Pathways — previously named Regulation, Quality Assurance and International Engagement, which has been reconfigured to a committee of senior government officials that convenes on an as-needs-basis, focussed especially on quality issues

The Joint Committee on Higher Education reports directly to NSOC.

In addition to the four Principal Committees, a number of other bodies report or provide advice to SCOTESE, either directly or indirectly. These include:

* The National Skills Standards Council (NSSC), an expert body charged with responsibility for providing advice to SCOTESE on, and informing the sector of, the national standards for regulation of vocational education and training. The NSSC also has specific decision making powers in relation to the endorsement of Training Packages.
* The National VET Equity Advisory Council (NVEAC) provides high-level strategic advice to SCOTESE on improving outcomes for equity groups in VET. The advice provided by the Council is informed by the policy directions outlined in the *Equity Blueprint 2011–16 Creating Futures: Achieving Potential through VET*.
* The Australian Qualifications Framework Council (AQFC) reports to SCOTESE and, where appropriate, to the Standing Council on School Education and Early Childhood. It is responsible for developing and maintaining the Australian Qualifications Framework (AQF) and associated policies, and for providing authoritative and strategic advice on the AQF. The AQF is the national framework for regulated qualifications in Australian education and training.
* The National Centre for Vocational Education Research (NCVER) is Australia’s clearing house for VET data and research. The organisation is a not-for-profit company owned by State, Territory and federal ministers responsible for training. NCVER is responsible for the collection of VET statistics and for providing statistical and other information to a wide range of stakeholders. It also facilitates and disseminates research and undertakes employer, student and graduate surveys relating to VET outcomes and performance.
* The Flexible Learning Advisory Group (FLAG) is an advisory committee to NSOC on national directions and priorities for information and communication technologies in VET, and in Adult and Community Education.
* The National Advisory for Tertiary Education, Skills and Employment (NATESE) provides policy and secretariat support for a number of committees and advisory groups (SCOTESE, NSOC, NSSC, NVEAC and FLAG). Policy and secretariat services for the AQFC are provided on a shared platform of support with NATESE.
* The Australian Skills Quality Authority (ASQA) is the national regulator for Australia’s VET sector. ASQA regulates courses and training providers to ensure nationally approved quality standards, set by the NSSC, are met. ASQA has jurisdiction over all RTOs, except those operating solely in Victoria and/or Western Australia that do not offer services to overseas students. These providers are regulated by the Victorian Registration and Qualifications Authority if operating in Victoria and the Training Accreditation Council if operating in Western Australia. The function of registering RTOs within this jurisdiction transferred to ASQA in stages from July 2011 to June 2012.

Figure 5.2 **National reporting relationships within the VET system in 2012a**

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| **Council of Australian Governments (COAG)**    **Standing Council on Tertiary Education, Skills and Employment**  **(SCOTESE)**    **National Senior Officials Committee (NSOC)**    Workforce  Development  Supply    **and**  **Demand**    Tertiary  Education  Quality and    **Pathways**    Access and  Participation    Data and  Performance  Measurement    National VET Equity  Advisory Council  (NVEAC)    National Skills  Standards Council  (NSSC)    Australian  Qualifications  Framework Council  (AQFC)    National Centre for  Vocational  Education  Research    (NCVER)    **Principal Committees**    Australian  Information and  Communications  Technology  Education  Committee  (AICTEC)    Navigation  Projects  Management  Committee  (NPMC)    Strategic Cross  Sectoral Data  Committee    (  SCDC)    Australian Skills  Quality Authority    (ASQA)    Tertiary Education  Quality Standards  Agency (TEQSA)    Green Skills  Agreement  Implementation  Group (GSAIG)  )    **National Advisory for Tertiary Education, Skills and**    **Employment (NATESE)**    (Provides policy and secretariat support for SCOTESE, NSOC, NSSC, AQFC, NVEAC, FLAG)    Joint Committee  on International  Education    (JCIE)    Training Accreditation  Council (TAC)    Victorian Registration  Quality Authority    (VRQA)    Flexi  ble  Learning  Advisory Group  (FLAG)    Hard lines  –    Reporting    Dotted lines  –    Relationship |

a This is a summarised reflection of the governance and reporting environment at September 2012, and does not reflect all stakeholders and their interactions in the VET sector.

#### VET funding flows

State and Territory governments provide funding to VET providers, students and employers through State and Territory training authorities, to support the delivery of training, improve student services and provide incentives for employers and apprentices. State and Territory governments provided $4.3 billion in 2012 — 71.7 per cent of government funding. The Australian Government provided the remainder of government funding ($1.7 billion) (table 5A.8). Information on the comparability of funding data is provided in box 5.6.

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

While not all training across the VET system (including apprenticeships and traineeships) is government funded, significant government administrative resources support the regulation and management of the system overall.

Figure 5.3 Major funding flows within the VET system

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| Figure 5.3 - Major funding flows within the VET system.    More details can be found within the test surrounding this image. |

#### Allocation of VET funding

The majority of government VET funds are allocated to government VET providers based on the planned level of training delivery agreed with 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:

* *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
* *competitive tendering*, whereby government and private RTOs compete for funding contracts from State and Territory training authorities in response to government offers (tenders)
* *preferred supplier arrangements*, an extension of competitive tendering, whereby a contract is awarded to providers (chosen by the tender process) to provide training on a longer term basis.

In 2012, $2.6 billion (42.4 per cent) of government VET funding was allocated on a competitive basis (including user choice arrangements) — 11.3 per cent more in real terms than in 2011 (table 5A.8). A further $1.4 billion was allocated to non‑government providers — a 20.6 per cent increase in real terms from 2011 (table 5A.7). The degree of competition in the tendering process varies across and within jurisdictions, depending on the program. Some tenders can be contested by any RTO (open competitive tendering), while some other tenders are restricted to RTOs able to deliver a specific type of training, for example, in a selected industry or to a particular client group (limited competitive tendering). Similarly, the scope for competition, in terms of the size of the market of potential providers, varies across jurisdictions.

## 5.2 Framework of performance indicators

COAG has agreed six National Agreements to enhance accountability to the public for the outcomes achieved or outputs delivered by a range of government services (see chapter 1 for more detail on reforms to federal financial relations).

The NASWD (COAG 2012) covers the areas of VET, and education and training indicators in the *National Indigenous Reform Agreement* (NIRA) (COAG 2011) establish specific outcomes for reducing the level of disadvantage experienced by Indigenous Australians. The agreements include sets of performance indicators, for which the Steering Committee collates annual performance information for analysis by the COAG Reform Council (CRC). Performance indicators reported in this chapter are aligned with VET indicators in the NASWD. The NASWD was reviewed in 2012, resulting in changes that have been reflected in this Report, as relevant. In 2013, iterative revisions were made to the NASWD, that have been reflected in this Report, as relevant.

The objectives and outcomes outlined in the NASWD for the VET sector (box 5.3) inform the performance indicator framework for this chapter.

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| Box 5.3 Objectives for VET |
| The objective for the VET system, as outlined in the NASWD, is:   * a system that delivers a productive and highly skilled workforce and which enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia's economic future, and supports the achievement of increased rates of workforce participation.   Success in meeting the objective for the VET system is underpinned in the NASWD by the following target outcomes:   * the skill levels of the working age population are increased to meet the changing needs of the economy * all working age Australians have the opportunity to develop skills * training delivers the skills and capabilities needed for improved economic participation for working age Australians.   The NASWD also acknowledges the need for the VET system to address the particular needs of individuals experiencing disadvantage or disengagement with gaining skills that lead to employment or other meaningful engagement in society.  These objectives are to be met through the provision of services in an efficient manner. |
| *Source*: COAG (2012). |
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The performance indicator framework provides information on equity, efficiency and effectiveness, and distinguishes the outputs and outcomes of VET services (figure 5.4). The performance indicator framework shows which data are comparable in the 2014 Report. For data that are not considered directly comparable, the text includes relevant caveats and supporting commentary. Chapter 1 discusses data comparability from a Report-wide perspective (see section 1.6).

The Report’s Statistical context chapter contains data that may assist in interpreting the performance indicators presented in this chapter. These data cover a range of demographic and geographic characteristics, including age profile, geographic distribution of the population, income levels, education levels, tenure of dwellings and cultural heritage (including Indigenous and ethnic status) (chapter 2).

Figure 5.4 VET performance indicator framework

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| Figure 5.4 VET performance indicator framework   More details can be found within the text surrounding this image. |

Data quality information (DQI) is being progressively introduced for all indicators in the Report. The purpose of DQI is to provide structured and consistent information about quality aspects of data used to report on performance indicators. DQI in this Report cover the seven dimensions in the ABS’ data quality framework (institutional environment, relevance, timeliness, accuracy, coherence, accessibility and interpretability) in addition to dimensions that define and describe performance indicators in a consistent manner, and note key data gaps and issues identified by the Steering Committee. All DQI for the 2014 Report can be found at www.pc.gov.au/gsp/reports/rogs/2014.

## 5.3 Key performance indicator results

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

### Outputs

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

#### Equity

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

##### VET participation by target group

‘VET participation by target group’ is an indicator of governments’ objective to achieve equitable access to the VET system by target groups (box 5.4).

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| Box 5.4 VET participation by target group |
| ‘VET participation by target group’ is defined as the number of government funded participants in the VET system who self-identified that they are from a target group, as a proportion of the total number of people in the population in that group. The four target groups are:   * Indigenous Australians * people from remote and very remote areas * people with disability * people speaking a language other than English (LOTE) at home.   It is desirable that VET participation by target group is at a similar level to that for all students. A lower participation rate means the target group is underrepresented in VET; a higher participation rate means the group is overrepresented in VET.  Care needs to be taken in interpreting the participation rates presented for people with disability, people speaking a LOTE at home, and Indigenous Australians, because the data depend on self-identification at the time of enrolment and the number of non‑responses (that is, students who did not indicate whether or not they belong to these groups) varies across jurisdictions.  Data on participation by Indigenous status are for students identified as aged 15‑64 years, and data on participation for other groups are reported for students of all ages. Data on participation are for students who have participated in Australia's government funded VET system.  Data reported for this measure:   * may not be comparable (subject to caveats) within jurisdictions over time and may not be comparable across jurisdictions * are complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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##### VET participation by target group — Indigenous Australians

Nationally, the participation rate for the Indigenous population aged 15–64 years in government funded VET was 21.7 per cent in 2012, compared with 19.6 per cent in 2008 and 18.2 per cent in 2003. The participation rate for the non-Indigenous population aged 15–64 years was 9.2 per cent in 2012, compared with 7.5 per cent in 2008 and 7.6 per cent in 2003. The participation rate for all people aged 15‑64 years was 10.0 per cent in 2012, compared with 8.4 per cent in 2008 and 9.1 per cent in 2003 (figure 5.5).

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

Figure 5.5 National VET participation rate for people aged 15–64 years, by Indigenous status**a, b, c**

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| Figure 5.5 National VET participation rate for people aged 15-64 years, by Indigenous status  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b The Indigenous students participation rate is the number of Indigenous students as a percentage of the estimates of the Indigenous population for 30 June. The all students participation rate is the number of students as a percentage of the estimated total population as at 30 June. The non‑Indigenous students participation rate is the number of students as a percentage of the estimated non‑Indigenous population as at 30 June, calculated by subtracting the experimental estimates of Indigenous population from estimates of the total resident population. c Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (see table 5A.10). Care needs to be taken in comparing participation data due to the high non-response rates in some jurisdictions.

*Source*: NCVER (unpublished) National VET provider collection; ABS (2012 and previous years), *Australian Demographic Statistics, June 2012*, Cat. no. 3101.0, Canberra; ABS 2008, *Australian Historical Population Statistics*, Cat. no. 3105.0.65.001, Canberra; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians*, Cat. no. 3238.0; table 5A.10.

Nationally in 2012, 5.2 per cent of government funded VET students (of all ages) identified themselves as Indigenous (figure 5.6), higher than the proportion of Indigenous Australians in the total population (2.6 per cent) (table 5A.16). Nationally, 89.7 per cent of government funded VET students (of all ages) identified themselves as non-Indigenous.

Figure 5.6 VET students, all ages, by Indigenous status, 2012**a, b**

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| Figure 5.6 VET students, all ages, by Indigenous status, 2012  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (see table 5A.16).

*Source*: NCVER (unpublished) National VET provider collection; table 5A.16.

##### VET participation by target group — people from remote and very remote areas

VET student data by region are based on students’ home postcode using the Accessibility and Remoteness Index for Australia (ARIA) classification system. Nationally, the government funded VET participation rate generally increased with remoteness. Participation was higher for people from remote and very remote areas (10.2 per cent) than for people from other geographic regions (8.5 per cent for outer regional areas, 8.6 per cent for inner regional areas and 5.9 per cent for major cities) compared with 6.8 per cent for all students (figure 5.7). Factors such as employment opportunities and the availability of alternative education services in regional and remote areas can affect the level of VET participation in these areas.

Figure 5.7 VET participation rate for people of all ages, by region,   
2012**a, b, c**

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| Figure 5.7 VET participation rate for people of all ages, by region, 2012  More details can be found within the text surrounding this image. |

a Data are for government 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.

*Source*: NCVER (unpublished) National VET provider collection; ABS (2013), *Regional Population Growth, Australia, 2011-12*, Cat. no. 3218.0; table 5A.12.

##### VET participation by target group — people with disability

Nationally, 7.2 per cent of government funded VET students in 2012 reported having disability, an impairment or a long-term condition (figure 5.8). Based on the 2012 ABS *Survey of* *Disability, Ageing and Carers* (SDAC) data, an estimated 14.4 per cent of all 15–64 year olds in the population living in households and 18.5 per cent of the total population reported having disability (derived from ABS 2013). The proportion of VET students reporting disability is not directly comparable with the proportion of the population reporting disability, as the classifications of disabilities differ across the two collections. Within the VET system, the focus is on identifying students who require additional teaching and learning support.

Figure 5.8 VET students of all ages, by disability status, 2012**a, b, c**

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| Figure 5.8 VET students of all ages, by disability status, 2012  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b People with disability are defined as those who self-identify on enrolment forms that they have disability, an impairment or a long-term condition. Not all students respond to the relevant question on the enrolment form. c Disability status not stated is nil or rounded to zero for Victoria and SA.

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

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

In 2012, 15.5 per cent of government funded VET students reported speaking a LOTE at home (figure 5.9). By comparison, 18.2 per cent of the total population of Australia in 2011 spoke a LOTE at home (table 5A.14) (derived from ABS 2011 *Census of Population and Housing*, table 2A.11).

Figure 5.9 VET students of all ages, by language spoken at home, 2012**a, b**

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| Figure 5.9 VET students of all ages, by language spoken at home, 2012  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b Students reported as 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. Not all students responded to the relevant question on the enrolment form.

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

Participation in government funded VET for people speaking a LOTE at home was estimated to be 5.6 per cent nationally in 2011, compared with 7.1 per cent for people who spoke only English at home, and 6.6 per cent for the general population. The estimated national participation rate in 2006 for people speaking a LOTE at home was similar at 5.5 per cent (table 5A.15) (derived from ABS 2006 and 2011 *Census of Population and Housing*, tables 2A.10 and 2A.11).

#### Effectiveness

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

##### Student participation in VET

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

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| Box 5.5 Student participation in VET |
| ‘Student participation in VET’ is defined by three measures:   * the number of people aged 15–64 years participating in VET as a proportion of the population aged 15–64 years * the number of people aged 15–64 years participating in VET at certificate level III and above as a proportion of the population aged 15–64 years * the number of people aged 15–64 years participating in VET at diploma level and above as a proportion of the population aged 15–64 years.   High or increasing VET participation rates indicate high or increasing levels of access to the VET system by the general population. High or increasing participation in VET certificate level III and above, and in VET diploma level and above, indicate greater or increasing participation in higher skill level courses, which is desirable.  Data for VET diploma level and above are a sub-set of data for the larger group of VET certificate III level and above. Data are for government funded VET students.  Data reported for this indicator are  • comparable (subject to caveats) across jurisdictions and over time  • complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.  Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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In 2012, 1.5 million people aged 15–64 years participated in government funded VET programs. This is equivalent to 10.0 per cent of people aged 15–64 years nationally. The 1.5 million government funded VET students include:

* 433 300 or 29.7 per cent of all people aged 15–19 years
* 273 400 or 16.9 per cent of all people aged 20–24 years
* 807 400 or 6.7 per cent of all people aged 25–64 years (table 5A.9).

Figures 5.10–5.12 show VET participation rates for the 15–64 year old population by Indigenous status, and for the target age groups of 18–24 years and 20–64 years. The national participation rate for the general population aged 15–64 years was 10.0 per cent in 2012, compared with 21.7 per cent for the Indigenous population and 9.2 per cent for the non-Indigenous population aged 15–64 years (figure 5.10).

Nationally in 2012, 21.4 per cent of all people aged 18–24 years participated in government funded VET, compared with 29.5 per cent of the Indigenous population and 20.3 per cent of the non-Indigenous population in the same age group. Nationally, 7.9 per cent of all people aged 20–64 years participated, compared with 17.6 per cent of the Indigenous population and 7.2 per cent of the non-Indigenous population aged 20–64 years (figure 5.10).

Figure 5.10 VET participation rate, by target age group and Indigenous status, 2012**a, b, c**

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| Figure 5.10 VET participation rate, by target age group and Indigenous status, 2012  (a) 15-64 years  More details can be found within the text surrounding this image. Figure 5.10 VET participation rate, by target age group and Indigenous status, 2012  (b) 18-24 years  More details can be found within the text surrounding this image. Figure 5.10 VET participation rate, by target age group and Indigenous status, 2012  (c) 20-64 years  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b The Indigenous students participation rate is the number of Indigenous students as a percentage of the estimates of the Indigenous population. The all students participation rate is the number of students as a percentage of the estimated total population. c Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (table 5A.10). Care needs to be taken in comparing participation data due to the high non-response rates in some jurisdictions.

*Source*: NCVER (unpublished) National VET provider collection; ABS (2012), *Australian Demographic Statistics, June 2012*, Cat. no. 3101.0, Canberra; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians*, Cat. no. 3238.0; table 5A.10.

In 2012, approximately 1.1 million people aged 15–64 years participated in a government funded VET program at the certificate III level or above, representing 7.0 per cent of the population aged 15–64 years nationally (figure 5.11 and table 5A.17). This compares with 10.1 per cent of the Indigenous population and 6.7 per cent of the non-Indigenous population aged 15–64 years (figure 5.11).

Nationally in 2012, 17.0 per cent of all people aged 18–24 years participated in government funded VET at the certificate III level or above, compared with 15.6 per cent of the Indigenous population and 16.5 per cent of the non-Indigenous population aged 18–24 years. Nationally, 6.0 per cent of all people aged 20‑64 years participated, compared with 9.3 per cent of the Indigenous population and 5.6 per cent of the non-Indigenous population aged 20–64 years (figure 5.11).

Figure 5.11 VET participation rate in certificate III and above, by target age group and Indigenous status, 2012a, b, c, d

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| Figure 5.11 VET participation rate in certificate III and above, by target age group and Indigenous status, 2012  (a) 15-64 years  More details can be found within the text surrounding this image.  Figure 5.11 VET participation rate in certificate III and above, by target age group and Indigenous status, 2012  (b) 18-24 years  More details can be found within the text surrounding this image.  Figure 5.11 VET participation rate in certificate III and above, by target age group and Indigenous status, 2012  (c) 20-64 years  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b Data are for the highest level qualification attempted by a student in a reporting year. c The Indigenous students participation rate is the number of Indigenous students as a percentage of the estimates of the Indigenous population. The all students participation rate is the number of students as a percentage of the estimated total population. d Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (table 5A.17). Care needs to be taken in comparing participation data due to the high non-response rates in some jurisdictions.

*Source*: NCVER (unpublished) National VET provider collection; ABS (2012), *Australian Demographic Statistics, June 2012*, Cat. no. 3101.0, Canberra; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians*, Cat. no. 3238.0; table 5A.17.

In 2012, approximately 207 100 people aged 15–64 years participated in a government funded VET program at the diploma level or above, representing 1.4 per cent of the population aged 15–64 years nationally (figure 5.12 and table 5A.18). This compares with 1.2 per cent of the Indigenous population and 1.3 per cent of the non-Indigenous population aged 15–64 years (figure 5.12).

Nationally in 2012, 2.9 per cent of all people aged 18–24 years participated in government funded VET at the diploma level or above, compared with 1.4 per cent of the Indigenous population and 2.8 per cent of the non-Indigenous population aged 18–24 years. Nationally, 1.3 per cent of all people aged 20–64 years participated, the same as the proportion for the Indigenous and non-Indigenous populations (figure 5.12).

Figure 5.12 VET participation rate in diploma and above, by target age group and Indigenous status, 2012a, b, c, d, e

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| Figure 5.12 VET participation rate in diploma and above, by target age group and Indigenous status, 2012  (a) 15-64 years  More details can be found within the text surrounding this image.  Figure 5.12 VET participation rate in diploma and above, by target age group and Indigenous status, 2012  (b) 18-24 years  More details can be found within the text surrounding this image.  Figure 5.12 VET participation rate in diploma and above, by target age group and Indigenous status, 2012  (c) 20-64 years  More details can be found within the text surrounding this image. |

a Data are for government funded VET students. b Data are for the highest level qualification attempted by a student in a reporting year. c Course levels classified as diploma and above are included in the group of courses classified as certificate III and above. d The Indigenous students participation rate is the number of Indigenous students as a percentage of the estimates of the Indigenous population. The all students participation rate is the number of students as a percentage of the estimated total population. e Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (table 5A.18). Care needs to be taken in comparing participation data due to the high non-response rates in some jurisdictions.

*Source: NCVER (unpublished) National VET provider collection; ABS* (2012), *Australian Demographic Statistics, June 2012*, Cat. no. 3101.0, Canberra; ABS (2009) *Experimental Estimates and Projections, Aboriginal and Torres Strait Islander Australians*, Cat. no. 3238.0; table 5A.18.

#### Efficiency

A proxy indicator of efficiency is the level of government inputs per unit of output (unit cost). The indicators of unit cost reported are ‘recurrent expenditure per annual hour’ and ‘recurrent expenditure per load pass’. 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 1) across jurisdictions. In VET, the user cost of capital is not included in estimates of recurrent expenditure, although it is reported separately in the measures ‘user cost of capital per annual hour’ (box 5.9) and, ‘user cost of capital per load pass’ (box 5.10). To promote accuracy and comparability of reported efficiency measures some adjustments are made to the data (box 5.6).

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| Box 5.6 Comparability of cost estimates |
| Government recurrent expenditure is calculated using data prepared by states and territories under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) for VET financial data. These data are prepared annually on an accrual basis and are audited.  The method for calculating government recurrent expenditure for VET was changed commencing with the 2011 Report, and includes Commonwealth and State/Territory recurrent funding, Commonwealth specific purpose funding and State/Territory specific purpose funding. This includes activity funded under the NASWD. The definition of government recurrent expenditure has been broadened since the 2010 Report, which included only Commonwealth and State recurrent funding under the CSASAW (replaced by the NASWD on 1 January 2009). Government recurrent expenditure is calculated by adding the following AVETMISS financial statements revenue items for the government recurrent payments received by states and territories: Commonwealth National Agreement revenue, State/Territory recurrent revenue, Commonwealth Administered Programs revenue and revenue for VET expenses and liabilities of State/Territory training departments undertaken by another department or agency but required to be reported in the financial accounts of the training department. VET in schools revenue for 2010 and later years can no longer be separated from the other specific purpose program payments made by the Australian Government to the states and territories. Hence, commencing with the 2011 Report, the government recurrent expenditure figures include payments received by states and territories for VET in schools programs. Historical government expenditure has been recalculated to reflect this revised approach. |
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| Box 5.6 (Continued) |
| The reported government recurrent expenditure excludes capital expenditure, and the user cost of capital (which is the opportunity cost of funds tied up in the capital used to deliver services, calculated as 8 per cent of the total value of the physical non-current assets) is reported separately. The method for calculating user cost of capital is unchanged from the earlier editions of the Report (referred to as ‘cost of capital’ in this chapter prior to the 2011 Report).  To promote comparability of the financial data across states and territories, as well as comparability between the financial and activity data, expenditure is adjusted by course mix weights where used for calculating unit costs (that is, efficiency indicators per government funded annual hour) to recognise the different proportions of relatively more expensive and less expensive training programs that occur in jurisdictions. The same method of calculating course mix weights has been implemented across all years for relevant data, providing comparability across all years for the indicators: ‘government recurrent expenditure per annual hour’ and ‘user cost of capital per annual hour’.  Expenditure data for years prior to 2012 are adjusted to real dollars (2012 dollars) using the gross domestic product (GDP) chain price index (table 5A.91) This index is also used for calculating VET expenditure data in other reports.  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. |
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##### Government recurrent expenditure per annual hour

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

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| Box 5.7 Government recurrent expenditure per annual hour |
| ‘Government recurrent expenditure per annual hour’ is defined as government recurrent expenditure (as defined in box 5.6) divided by government funded annual hours.  Low or decreasing unit costs can indicate efficient delivery of VET services.  Government recurrent expenditure per annual hour needs to be interpreted carefully because low or decreasing unit costs do not necessarily reflect a lessening of quality. The factors that have the greatest impact on efficiency include:   * training related factors, such as class sizes, teaching salaries, teaching hours per full time equivalent staff member and differences in the length of training programs * differences across jurisdictions, including socio-demographic composition, administrative scale, and dispersion and scale of service delivery * VET policies and practices, including the level of fees and charges paid by students.   Expenditure per annual hour is adjusted for course mix differences across jurisdictions (more information is provided in box 5.6). The reported government recurrent expenditure excludes capital expenditure, and the user cost of capital is reported separately.  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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Government real recurrent expenditure per annual hour of government funded VET programs in 2012 was $12.62 nationally, a decrease from $13.45 in 2011 (figure 5.13).

Figure 5.13 Government real recurrent expenditure per annual hour (2012 dollars)**a, b, c, d**

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| Figure 5.13 Government real recurrent expenditure per annual hour (2012 dollars)  More details can be found within the text surrounding this image. |

a The ACT does not 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 The variation in WA’s expenditure from 2011 to 2012 largely reflects the move from fortnightly to quarterly payments to State Training Providers. d  Historical data have been adjusted to 2012 dollars using the GDP chain price index deflator (table 5A.91). Recent volatility in the deflator series affects annual movements of real expenditure.

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

##### Government recurrent expenditure per load pass

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

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| Box 5.8 Government recurrent expenditure per load pass |
| ‘Government recurrent expenditure per load pass’ is defined as government recurrent expenditure (as defined in box 5.6) divided by hours of government funded load pass. Load pass is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non-assessable enrolments.  Low or decreasing unit costs can indicate efficient delivery of VET services per successfully completed load pass hour.  The factors that have the greatest impact on efficiency include:   * training related factors, such as class sizes, teaching salaries, teaching hours per full time equivalent staff member, and differences in the length of training programs * differences across jurisdictions, including socio-demographic composition, administrative scale, and dispersion and scale of service delivery * VET policies and practices, including the level of fees and charges paid by students.   The reported government recurrent expenditure excludes capital expenditure, and the user cost of capital is reported separately.  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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Government real recurrent expenditure per load pass hour of government funded VET programs in 2012 was $15.39 nationally, a decrease from $16.53 in 2011 and from $23.41 in 2003 (figure 5.14 and table 5A.20).

Figure 5.14 Government real recurrent expenditure per hour of load pass (2012 dollars)**a, b, c, d**

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| Figure 5.14 Government real recurrent expenditure per hour of load pass (2012 dollars)  More details can be found within the text surrounding this image. |

a The ACT does not 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 The variation in WA’s expenditure from 2011 to 2012 largely reflects the move from fortnightly to quarterly payments to State Training Providers. d Historical data have been adjusted to 2012 dollars using the GDP chain price index deflator (table 5A.91). Recent volatility in the deflator series affects annual movements of real expenditure.

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

##### User cost of capital per annual hour

‘User cost of capital per annual hour’ is an indicator of governments’ objective to provide VET services in an efficient manner. The user cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets. Not reporting the user cost of capital underestimates the cost to government of service provision (box 5.9).

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| Box 5.9 User cost of capital per annual hour |
| ‘User cost of capital per annual hour’ is defined as the user cost of capital (adjusted for course mix weight) divided by government funded annual hours. User cost of capital is 8 per cent of the value of total physical non-current assets. Annual hours are the total hours of delivery based on the standard nominal hour value for each subject undertaken. These represent the hours of supervised training under a traditional delivery strategy.  Low or decreasing total costs per annual hour can reflect higher efficiency in the delivery of VET services.  User cost of capital per annual hour needs to be interpreted carefully because low unit costs may not necessarily reflect a lessening of quality. Differences in some input costs (for example, land values) can affect reported costs across jurisdictions without necessarily reflecting the efficiency of service delivery. The user cost of capital for land is presented separately from the cost of other assets, to allow users assessing the results to consider any differences in land values across jurisdictions. The Steering Committee has adopted a nominal user cost of capital rate of 8 per cent, although the actual rate may vary across jurisdictions. The basis for the 8 per cent capital charge is discussed in chapter 1.  User cost of capital per annual hour is adjusted for course mix differences across jurisdictions (more information is provided in box 5.6).  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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Nationally, the user cost of capital per annual hour in 2012 was $1.94. The largest components of user cost of capital per annual hour were building costs ($1.42) followed by land costs ($0.41) (figure 5.15).

Figure 5.15 User cost of capital per annual hour, 2012**a**

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| Figure 5.15 User cost of capital per annual hour, 2012  More details can be found within the text surrounding this image. |

a ‘All other user cost of capital’ includes plant, equipment, motor vehicles and other capital. See table 5A.21 for further information.

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

Table 5A.22 provides additional information on the total cost to government of funding VET per annual hour (including both the user cost of capital and recurrent costs).

##### User cost of capital per load pass

‘User cost of capital per load pass’ is an indicator of governments’ objective to provide VET services in an efficient manner. The user cost of capital is included in estimates of the cost of government services because it reflects the opportunity cost of government assets. Not reporting the user cost of capital underestimates the cost to government of service provision (box 5.10).

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| Box 5.10 User cost of capital per load pass |
| ‘User cost of capital per load pass’ is defined as the user cost of capital divided by hours of government funded load pass. User cost of capital is 8 per cent of the value of total physical non-current assets. Load pass is based on assessable enrolments of modules and units of competency achieved/passed and RPL, and does not include non‑assessable enrolments.  Low or decreasing total costs per load pass hour can reflect higher efficiency in the delivery of VET services.  User cost of capital per load pass needs to be interpreted carefully because differences in some input costs (for example, land values) could affect reported costs across jurisdictions without necessarily reflecting the efficiency of service delivery. The user cost of capital for land is presented separately from the cost of other assets, to allow users assessing the results to consider any differences in land values across jurisdictions. The Steering Committee has adopted a nominal user cost of capital rate of 8 per cent, although the actual rate may vary across jurisdictions. The basis for the 8 per cent capital charge is discussed in chapter 1.  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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In 2012, the user cost of capital per load pass hour was $2.37 nationally. The largest components were building ($1.73) and land ($0.50) costs (figure 5.16).

Figure 5.16 User cost of capital per hour of load pass, 2012**a, b**

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| Figure 5.16 User cost of capital per hour of load pass, 2012  More details can be found within the text surrounding this image. |

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

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

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

### Outcomes

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

#### Student outcomes

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

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| Box 5.11 Student Outcomes Survey |
| The data collected about graduates and module completers describes their general characteristics, fields of study, employment outcomes, occupations, industries of employment, satisfaction with their course of study, and further study outcomes.  The survey collects the opinions of a sample of VET students, so the results are estimates of the opinions of the total VET student population. The sample is randomly selected and stratified for graduates and module completers by TAFE institute, field of study, sex and age. Responses are weighted to population benchmarks to minimise non-response bias.  The precision of survey estimates depends on the sample size and the distribution of sample responses. Consequently, jurisdictional comparisons need to be made with care. To assist with making comparisons across jurisdictions, error bars representing the 95 per cent confidence intervals associated with each point estimate are presented in the survey figures. These confidence intervals can be used to indicate whether there are likely to be statistically significant differences across jurisdictions. When comparing the estimates, if the confidence intervals for the jurisdictions do not overlap, then the estimates are statistically significantly different (at the 95 per cent confidence level). Confidence intervals are also included in the associated attachment tables.  The Student Outcomes 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). The discussion of student outcomes in the chapter focuses on government funded VET graduates, that is, students who undertook government funded VET activity.  Care needs to be taken when comparing student outcomes across states and territories, because each jurisdiction has different economic, demographic and social profiles that are likely to have an effect on a range of training related outcomes. In particular, economic parameters beyond the control of the VET system may affect employment outcomes for graduates (see chapter 2). |
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##### Student employment and further study outcomes

‘Student employment and further study outcomes’ is an indicator of governments’ objective for the VET system to meet individual students’ objectives. It reports on the benefits students gained from the VET system. These benefits include employment, improved employment circumstances, a pathway for further study/training, and personal development (box 5.12).

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| Box 5.12 Student employment and further study outcomes |
| ‘Student employment and further study outcomes’ is defined by four measures:   * the proportion of graduates who were employed and/or continued on to further study after completing their course, reported by VET target groups * the proportion of graduates employed after completing their course who were unemployed before the course * the proportion of graduates who improved their employment circumstances after completing their course, reported by VET target groups and by level of qualification. The definition of ‘improved employment circumstances’ is at least one of: * employment status changing from not employed before training (both unemployed and not in the labour force) to employed either full-time or part-time after training * employed at a higher skill level after training * received a job-related benefit after completing their training, including set up or expanded their own business, got a promotion, increased earnings, or other job‑related benefits * the proportion of graduates who undertook their course for employment-related reasons and were employed after completing their course, who reported at least one job-related benefit from completing the course.   Data are provided for VET target groups (students with disability, students speaking a language other than English at home, students from remote and very remote areas and Indigenous students).  Holding other factors constant, high or increasing proportions indicate positive employment or further study outcomes after training. The proportion of students who improved their employment outcomes or were engaged in further study can overlap, since students may realise the two outcomes simultaneously.  Comparison of labour market outcomes must also account for the general economic conditions in each jurisdiction (see chapter 2).  Data reported for these measures are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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##### Student employment and further study outcomes —the proportion of graduates who were employed and/or continued on to further study after completing their course

Nationally, 87.7 per cent of government funded VET graduates surveyed indicated that they were either in employment and/or pursuing further study after completing a VET course in 2012 — compared with 90.8 per cent in 2008. Of all government funded VET graduates in 2012, 76.9 per cent said they were in employment while 36.8 per cent continued on to further study (figure 5.17 and table 5A.25).

Figure 5.17 Proportion of government funded VET graduates in employment and/or who continued on to further study in 2012 after completing a course**a, b, c**

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| Figure 5.17 Proportion of government funded VET graduates in employment and/or who continued on to further study in 2012 after completing a course  More details can be found within the text surrounding this image. |

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 Error bars represent the 95 per cent confidence interval associated with each point estimate. c Data relate to courses completed in 2011.

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

Nationally, 78.9 per cent of government funded Indigenous VET graduates in 2012 indicated that they were employed and/or in further study after completing a course — compared with 75.8 per cent in 2008. Of government funded Indigenous VET graduates in 2012, 65.5 per cent indicated that they were employed after completing a course (compared with 76.9 per cent of all government funded VET graduates) and 37.6 per cent continued on to further study (compared with 36.8 per cent of all government funded VET graduates) (figure 5.18 and table 5A.26).

Figure 5.18 Proportion of Indigenous government funded VET graduates in employment and/or who continued on to further study in 2012 after completing a course **a, b, c, d**

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| Figure 5.18 Proportion of Indigenous government funded VET graduates in employment and/or who continued on to further study in 2012 after completing a course   More details can be found within the text surrounding this image. |

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 Error bars represent the 95 per cent confidence interval associated with each point estimate. c Data relate to courses completed in 2011. d ACT data for in further study and training are not published due to 5 or fewer responses.

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

The proportion of graduates by target groups who were in employment after completing their course (figure 5.19) or continued onto further study (figure 5.20) can also indicate the equity of outcomes for these groups.

Nationally, 51.9 per cent of government funded VET graduates with disability, 65.5 per cent of graduates who spoke a language other than English at home, 86.4 per cent of graduates from remote and very remote areas and 65.5 per cent of Indigenous graduates were employed in 2012 after completing a course in 2011. In comparison, 76.9 per cent of all government funded VET graduates were employed after completing a course (figure 5.19).

Further information for non-Indigenous graduates and graduates from other geographical locations are reported in tables 5A.27–30.

Figure 5.19 Proportion of government funded VET graduates in employment after completing a course, by target group, 2012**a, b, c, d**

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| Figure 5.19 Proportion of government funded VET graduates in employment after completing a course, by target group, 2012  More details can be found within the text surrounding this image. |

a Students reported as having disability are defined as those who self-identify that they have disability, and impairment or a long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. b Error bars represent the 95 per cent confidence interval associated with each point estimate. c Data relate to courses completed in 2011. 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 not published due to 5 or fewer responses.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.25-26 and 5A.31–33.

Nationally, 38.5  per cent of government funded VET graduates with disability, 37.4 per cent of graduates who spoke a language other than English at home, 39.7 per cent of graduates from remote and very remote areas and 37.6 per cent of Indigenous graduates continued on to further study in 2012 after completing a course in 2011. In comparison, 36.8 per cent of all government funded VET graduates continued on to further study (figure 5.20).

Figure 5.20 Proportion of government funded VET graduates who continued on to further study after completing a course, by target group, 2012**a, b, c, d**

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| Figure 5.20 Proportion of government funded VET graduates who continued on to further study after completing a course, by target group, 2012  More details can be found within the text surrounding this image. |

a Students reported as having disability are defined as those who self-identify that they have disability, and impairment or a long-term condition. Disabilities include hearing/deaf, physical, intellectual, learning, mental illness, acquired brain impairment, vision, medical condition and other unspecified disabilities. b Error bars represent the 95 per cent confidence interval associated with each point estimate. The data for graduates from remote and very remote areas in Victoria have relative standard errors greater than 25 per cent and need to be used with caution. c Data relate to courses completed in 2011. d There are no very remote areas in Victoria and no remote or very remote areas in the ACT. The remote and very remote data for Victoria are for students from remote and very remote areas throughout Australia studying in Victoria (there are no remote and very remote data for the ACT).

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.25-26 and 5A.31–33.

Of those government funded VET graduates who continued on to further study, 48.6 per cent pursued their further study within the TAFE system, while 21.7 per cent went on to further study at universities and 29.7 per cent went on to further study at private providers or other registered providers (figure 5.21).

Figure 5.21 Proportion of government funded VET graduates who continued on to further study after completing a course, by type of continuing institution, 2012**a, b**

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| Figure 5.21 Proportion of government funded VET graduates who continued on to further study after completing a course, by type of continuing institution, 2012  More details can be found within the text surrounding this image. |

a Error bars represent the 95 per cent confidence interval associated with each point estimate. b Data relate to courses completed in 2011.

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

Of those government funded Indigenous VET graduates who went on to further study, 52.0 per cent continued on to further study within the TAFE system (compared with 48.6 per cent for all government funded VET graduates), while 16.5 per cent went to university (compared with 21.7 per cent for all government funded VET graduates) and 31.4 per cent went on to further study at private providers or other registered providers (compared with 29.7 per cent for all government funded VET graduates) (figure 5.22 and table 5A.25).

Figure 5.22 Proportion of Indigenous government funded VET graduates who continued on to further study after completing a course, by type of continuing institution, 2012**a, b**

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| Figure 5.22 Proportion of Indigenous government funded VET graduates who continued on to further study after completing a course, by type of continuing institution, 2012  More details can be found within the text surrounding this image. |

a The data for graduates who continued at TAFE for Victoria, Queensland and the NT, at University for NSW, Queensland, SA and the NT, and for graduates at private provider or other registered provider for NSW, Victoria, Queensland and WA have relative standard errors greater than 25 per cent and should be used with caution. Some data for Victoria, WA, SA, Tasmania and the ACT are not published due to 5 or fewer responses, but are included in the national totals for Australia. b Error bars represent the 95 per cent confidence interval associated with each point estimate.

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

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

Nationally, of the government funded VET graduates surveyed in 2012 who were unemployed before the course, 51.1 per cent indicated they were employed after the course, 40.1 per cent were unemployed and 8.8 per cent were not in the labour force (figure 5.23).

Figure 5.23 Labour force status after the course of government funded VET graduates who were unemployed before the course, 2012**a**

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| Figure 5.23 Labour force status after the course of government funded VET graduates who were unemployed before the course, 2012  More details can be found within the text surrounding this image. |

NFI = No further information

a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.34. Not in the labour force estimates for Queensland, WA, Tasmania and the NT have relative standard errors greater than 25 per cent and need to be used with caution. Not in the labour force estimates for the ACT are not published due to 5 or fewer responses, but are included in the national totals for Australia.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.34.

Between 2008 and 2012, the proportion of all government funded VET graduates who were unemployed before the course and who became employed after the course decreased by 6.2 percentage points to 51.1 per cent (figure 5.24). This compares with a increase of 3.0 percentage points over the same period for government funded Indigenous VET graduates to 40.3 per cent (table 5A.35).

Figure 5.24 Proportion of government funded VET graduates who were unemployed prior to commencing a course and were employed after completing a course**a**

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| Figure 5.24 Proportion of government funded VET graduates who were unemployed prior to commencing a course and were employed after completing a course  More details can be found within the text surrounding this image. |

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.34.

Additional information is provided in tables 5A.36-37 on the labour force status after the course, of non-Indigenous graduates and of graduates who were employed prior to the course.

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

Nationally, 62.3 per cent of all government funded VET graduates in 2012 indicated they had improved their employment circumstances after completing their course, a decrease of 5.3 percentage points from 2008 (figure 5.25). Data from 2005 are included in table 5A.41.

Figure 5.25 Proportion of government funded VET graduates who improved their employment circumstances after training**a**

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| Figure 5.25 Proportion of government funded VET graduates who improved their employment circumstances after training  More details can be found within the text surrounding this image. |

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

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

Nationally, government funded VET graduates in 2012 indicated that:

* the employment status of 14.3 per cent changed from not employed before training to employed after completing their training
* 12.2 per cent were employed at a higher skill level after completing their training
* 58.2 per cent received a job-related benefit after completing their training (table 5A.45).

Table 5A.42 includes national data for graduates who speak a language other than English at home, graduates with disability, and graduates from remote and very remote areas. Of these groups, government funded VET graduates who reported disability were the least likely to indicate that they had improved employment circumstances in 2012 (44.2 per cent).

Nationally, 52.8 per cent of all government funded Indigenous VET graduates in 2012 indicated they had improved their employment circumstances after completing their course ⎯ a decrease of 6.2 percentage points from 2008 (table 5A.43) ⎯ compared with 62.7 per cent of government funded non-Indigenous VET graduates and 62.3 per cent of all government funded VET graduates in 2012 (figure 5.26).

Figure 5.26 Proportion of government funded VET graduates who improved their employment circumstances after training, by Indigenous status**a**

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| Figure 5.26 Proportion of government funded VET graduates who improved their employment circumstances after training, by Indigenous status  More details can be found within the text surrounding this image. |

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.41 and 5A.43-44.

Government funded Indigenous VET graduates nationally in 2012 indicated that:

* the employment status of 16.5 per cent changed from not employed before training to employed after completing their training
* 8.1 per cent were employed at a higher skill level after completing their training
* 50.4 per cent received a job-related benefit after completing their training (table 5A.45).

Table 5A.46 provides information on the percentage of graduates aged 20-64 years who improved their employment circumstances after completing their training, by Indigenous status.

Nationally in 2012, 62.1 per cent of government funded VET graduates with a diploma or above indicated they had improved their employment circumstances after completing their course (figure 5.27).

Table 5A.48 provides information on the percentage of graduates aged 20–64 years who improved their employment circumstances after completing their training, by certificate level.

Figure 5.27 Proportion of government funded VET graduates who improved their employment circumstances after training, by certificate level,2012 **a**

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| Figure 5.27 Proportion of government funded VET graduates who improved their employment circumstances after training, by certificate level, 2012  More details can be found within the text surrounding this image. |

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

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

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

Nationally in 2012, of all government funded VET graduates who were employed after their training and undertook their course for employment related reasons, 78.5 per cent indicated they had gained at least one job-related benefit from completing the course (figure 5.28). This compares with 77.4 per cent for government funded Indigenous VET graduates (table 5A.40).

Figure 5.28 Proportion of government funded VET graduates who undertook their course for employment‑related reasons and who received at least one job-related benefit from completing the course, 2012**a**

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| Figure 5.28 Proportion of government funded VET graduates who undertook their course for employment related reasons and who received at least one job-related benefit from completing the course, 2012  More details can be found within the text surrounding this image. |

a Error bars represent the 95 per cent confidence interval associated with each point estimate.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.39.

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

* obtained a job (34.5 per cent)
* achieved an increase in earnings (30.1 per cent)
* achieved a promotion or an increased status at work (33.1 per cent)
* a change of job or a new job (20.8 per cent)
* gained the ability to start their own business (8.6 per cent) (table 5A.39).

Attachment table 5A.38 provides information on the reported relevance to the main job, for those graduates who were employed after completing their course and undertook their course for employment related reasons. Further information on VET employment outcomes is available from the Down the Track survey of long term VET outcomes for 15–24 year olds, which is referred to in the 2006 Report (SCRGSP 2006, box 4.13) and is available in *Down the track: TAFE outcomes for young people two years on* (NCVER 2006).

##### Student achievement in VET

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

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| Box 5.13 Student achievement in VET |
| ‘Student achievement in VET’ is defined by three measures:   * ‘Load pass rate’ is the ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to all hours of students who were assessed and either passed, failed or withdrew. The calculation is based on the annual hours for each assessable module or unit of competency and includes competencies achieved/units passed through RPL. * ‘Proportion of graduates with improved education/training status after training’ is the number of VET qualifications completed by students who have completed a course at a higher education level than their previous highest education level achieved (based on AQF), divided by the number of VET course enrolments. * ‘Number of students who commenced and completed’ is the number of VET students in a given year who commenced a course and eventually completed their course, expressed as a proportion of all course commencing enrolments in that year.   Data are provided for VET target groups (students with disability, students speaking a language other than English at home, students from remote and very remote areas and Indigenous students). Achievement by VET target groups can also indicate the equity of outcomes for these groups.  High or increasing load pass rates and number of students who commenced and completed indicate that student achievement is high or improving, which is desirable. The rates for target groups, relative to those for the general student population, indicate whether students from target groups are as successful as other students. Care needs to be taken in comparing data across jurisdictions because average module durations vary across jurisdictions.  Changes in the proportion of graduates with improved education/training status after training may be affected by relatively large changes in enrolments, due to the time lag between course enrolment (the denominator) and qualification completion (the numerator used for deriving the proportion). Care therefore needs to be taken when interpreting changes over time in the proportion of graduates with improved education/training status after training.  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 2014 Report.  Data reported for these measures are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |

##### Student achievement in VET — load pass rate

In 2012, the load pass rate for all government funded students was 82.7 per cent, lower than the load pass rates for students from remote and very remote areas (84.2 per cent). The load pass rates for Indigenous students (73.9 per cent), students with disability (74.3 per cent) and students speaking a language other than English at home (78.3 per cent) were lower than for all students (figure 5.29).

Figure 5.29 Load pass rates, by target group, 2012**a, b, c, d**

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| Figure 5.29 Load pass rates, by target group, 2012  More details can be found within the text surrounding this image. |

a Data are for government funded hours. b People with disability are defined as those who self-identify on enrolment forms that they have disability, and impairment or a long-term condition. Not all students respond to the relevant question on the enrolment form. c Care needs to be taken in comparing load pass rates for students reporting disability, students speaking a language other than English at home and for Indigenous students 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. The remote data for Victoria and the ACT are for students from remote areas throughout Australia studying in these jurisdictions.

*Source*: NCVER (unpublished) National VET provider collection; tables 5A.49–52.

Nationally, between 2008 and 2012, load pass rates increased for all students by 3.3 percentage points to 82.7 per cent (table 5A.49) and for:

* students with disability by 4.3 percentage points to 74.3 per cent (table 5A.51)
* students speaking a language other than English at home by 5.6 percentage points to 78.3 per cent (table 5A.52)
* students from remote and very remote areas by 2.7 percentage points to 84.2 per cent (table 5A.50)
* Indigenous students by 5.0 percentage points to 73.9 per cent (table 5A.49).

In 2012, nationally, the load pass rate for Indigenous students (73.9  per cent) was lower than the load pass rate for non-Indigenous students (83.0 per cent) and for all students (82.7 per cent) (figure 5.30).

Figure 5.30 Load pass rate, by Indigenous status 2012**a, b**

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| Figure 5.30 Load pass rate, by Indigenous status 2012  More details can be found within the text surrounding this image. |

a Data are for government funded hours. b Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form. Care needs to be taken in comparing rates for Indigenous and non-Indigenous students. See table 5A.49 for further information.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.49.

Load pass rates for Indigenous students increased by 10.4 percentage points nationally between 2003 and 2012, to 73.9 per cent. This compares with an increase of 5.4 percentage points over the same period for non‑Indigenous students (to 83.0 per cent in 2012) and an increase of 5.8 percentage points over the same period for all students (to 82.7 per cent) (table 5A.49).

*Student achievement in VET — proportion of graduates with improved education/training status after training*

Qualification completions in 2011 by students with improved education/training status after training, as a percentage of course enrolments by students in 2011, was 16.5 per cent. This increased from 13.6 per  cent in 2008, representing an increase of 2.9 percentage points over the period (figure 5.31).

Figure 5.31 Qualifications completed by students with improved education/training status after training, as a percentage of course enrolments**a, b**

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| Figure 5.31 Qualifications completed by students with improved education/training status after training, as a percentage of course enrolments  More details can be found within the text surrounding this image. |

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.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.53

Qualification completions in 2011 by Indigenous students with improved education/training status after training, as a percentage of course enrolments by Indigenous students in 2011, was 12.8 per cent (figure 5.32) ⎯ an increase of 2.6 percentage points from 10.2 per cent in 2008 (table 5A.53). This increase is similar to the increase by 2.7 percentage points for non-Indigenous students between 2008 (14.3 per cent) and 2011 (17.0 per cent) (table 5A.53).

Figure 5.32 Qualifications completed by students with improved education/training status after training, as a percentage of course enrolments, by Indigenous status 2011**a, b**

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| Figure 5.32 Qualifications completed by students with improved education/training status after training, as a percentage of course enrolments, by Indigenous status 2011  More details can be found within the text surrounding this image. |

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.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.53.

Qualification completions in 2011 by students from remote and very remote areas with improved education/training status after training, as a percentage of course enrolments by those students in 2011, was 12.0 per cent. This represents an increase of 2.4 percentage points from 10.6 per cent in 2008 ⎯ slightly lower than the 2.9 percentage points increase for all students (table 5A.55).

Tables 5A.54 and 5A.56 provide additional information on completions for students aged 20-64 years.

Nationally in 2011, the proportion of VET qualifications completed by all students at a higher education level than their previous highest education level (AQF Certificate III or above only) was 18.7 per cent (table 5A.57). Table 5A.58 provides additional information for this measure for students aged 20–64 years.

##### Student satisfaction with VET

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

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| Box 5.14 Student satisfaction with VET |
| ‘Student satisfaction with VET’ has two measures:   * ‘proportion of students who achieve their main reason for doing a VET course’, defined as the proportion of graduates who indicate through the Student Outcomes Survey 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’, defined as the proportion of graduates who indicate through the Student Outcomes Survey that they were satisfied or very satisfied with their VET training program. These proportions are also reported according to the students’ identified purpose of study (employment related, further study and/or developmental).   Satisfaction with VET by target groups (students with disability, students speaking a language other than English at home, students from remote and very remote areas and Indigenous students) can also indicate the equity of outcomes for these groups.  A high or increasing percentage of perceived satisfaction is desirable.  Data reported for these measures are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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##### Student satisfaction with VET — students who achieve their main reason for doing a course

In 2012, 84.5 per cent of government funded VET graduates nationally indicated that their course helped (71.7 per cent) or partly helped (12.8 per cent) them achieve their main reason for doing the course — compared with 87.6 per cent reported in 2008. Of those graduates in 2012, 7.1 per cent indicated their course did not help them achieve the main reason they did the course, compared with 4.6 per cent in 2008 (table 5A.59, figure 5.33).

Figure 5.33 Proportion of government funded VET graduates who achieved their main reason for doing the course, 2012**a**

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| Figure 5.33 Proportion of government funded VET graduates who achieved their main reason for doing the course, 2012  More details can be found within the text surrounding this image. |

a The 95 per cent confidence intervals for the percentage estimates are reported in table 5A.59.

*Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.59.

Nationally in 2012, of the target groups, graduates from remote and very remote areas were the most likely to indicate that the course helped them achieve their main reason for doing the course (81.3 per cent), while graduates reporting disability were the least likely to do so (59.4 per cent). Approximately 70.1 per cent of Indigenous graduates indicated that the course helped them achieve their main reason for doing the course (figure 5.34).

Figure 5.34 Proportion of government funded VET graduates who achieved their main reason for doing the course, by target group, 2012**a, b, c**

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| Figure 5.34 Proportion of government funded VET graduates who achieved their main reason for doing the course, by target group, 2012  More details can be found within the text surrounding this image. |

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

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.59–60 and 5A.65–67.

Tables 5A.61–64 provide additional information on whether the course helped non‑Indigenous graduates, graduates from major cities, from inner regional areas and from outer regional areas, achieve their main reason for undertaking training.

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

In 2012, 89.2 per cent of all government funded VET graduates nationally indicated that they were satisfied with the quality of their completed training, representing an increase of 2.5 percentage points from 2005 (table 5A.68).

The satisfaction levels across target groups in 2012 were as follows:

* graduates with disability (88.8 per cent)
* graduates speaking a language other than English at home (91.5 per cent)
* graduates from remote and very remote areas (94.5 per cent)
* Indigenous graduates (93.5 per cent) (figure 5.35).

Figure 5.35 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by target group, 2012**a, b, c, d**

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| Figure 5.35 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by target group, 2012  More details can be found within the text surrounding this image. |

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

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.68–69 and 5A.74–76.

Nationally in 2012, 93.5 per cent of Indigenous graduates indicated that they were satisfied — an increase of 10.7 percentage points from 2005 (table 5A.69) — compared with 89.1 per cent of non-Indigenous graduates and 89.2 per cent of all graduates in 2012 (figure 5.36).

Figure 5.36 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by Indigenous status, 2012**a, b**

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| Figure 5.36 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by Indigenous status, 2012  More details can be found within the text surrounding this image. |

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

*Source*: NCVER (unpublished) *Student Outcomes Survey*; tables 5A.68–70.

Nationally in 2012, 88.9 per cent of graduates who had been seeking employment related outcomes indicated that they were satisfied with the quality of their completed training, compared with 90.7 per cent of graduates seeking further study outcomes and 90.3 per cent of those seeking personal development outcomes (figure 5.37).

Figure 5.37 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by purpose of study, 2012**a, b**

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| Figure 5.37 Proportion of government funded VET graduates who were satisfied with the quality of their completed course, by purpose of study, 2012  More details can be found within the text surrounding this image. |

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

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

Nationally in 2012, 92.7 per cent of Indigenous graduates who had been seeking employment related outcomes indicated that they were satisfied, compared with 100 per cent of Indigenous graduates seeking further study outcomes and 95.0 per cent of Indigenous graduates seeking personal development outcomes (table 5A.69).

A further disaggregation by non-Indigenous, by target groups and by geographical classifications, can be found in attachment tables 5A.70–76.

##### Skill profile

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

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| Box 5.15 Skill profile |
| ‘Skill profile’ is currently unable to be measured, and in the interim ‘skill outputs from VET’ is reported as a proxy for skill profile. ‘Skill outputs from VET’ is defined by three measures of students’ skill outputs from the VET system in a given year:  ‘Qualifications completed’ is defined as the number of qualifications achieved/passed each year by both government funded and non-government funded VET students (currently collected by NCVER, 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). The annual change in qualifications completed is defined as the percentage change of qualifications from year to year.  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2011 data are available for all jurisdictions providing the service.   ‘Units of competency and modules completed’ is defined as the sum of the number of units of competency achieved/passed each year by government funded VET students and the number of modules (outside training packages) achieved/passed each year by government funded VET students. A unit of competency is a component of a competency standard and/or a statement of a key function or role in a particular job or occupation. 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. The annual change in Units of competency and modules completed’ is defined as the percentage change of units of competency and modules completed’ from year to year.  Data reported for this measure are   * comparable (subject to caveats) within jurisdictions over time but are not comparable across jurisdictions. * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   ‘Qualification Equivalents’ is defined as the number of annual hours of training activity associated with successful completions of modules and units of competency by government funded VET students, divided by an agreed value of annual hours of training activity representing a qualification. The annual change in Qualification Equivalents’ is defined as the percentage change of Qualification Equivalents from year to year. |
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| Box 5.15 (Continued) |
| Data are provided for VET target groups (residents of remote and very remote areas, people with disability, people speaking a language other than English at home and Indigenous status). Further details are provided for individual measures in section 5.6.  Holding other factors constant, high or increasing numbers of qualifications completed and units of competency or modules achieved/passed results in an increase in the stock of VET skills.  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2012 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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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 several years as more industry training packages are endorsed. However, there are some niche markets where accredited courses will be maintained and new courses 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 Industry Skills Councils.

##### Skill outputs from VET — qualifications completed

Nationally, approximately 521 555 VET qualifications were completed in 2011, compared to 320 541 in 2007 (table 5A.77). The number of qualifications completed includes both government and non-government funded VET students (figure 5.38).

Figure 5.38 Qualifications completed, all students**a, b**

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| Figure 5.38 Qualifications completed, all students  More details can be found within the text surrounding this image. |

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.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.77.

Nationally, the number of qualifications completed increased by 17.6 per cent between 2010 and 2011, and increased by 12.6 per cent between 2009 and 2010 (figure 5.39). Overall, VET qualifications increased by 62.7 per cent between 2007 and 2011, equivalent to an average annual increase of 12.9 per cent (table 5A.77).

Figure 5.39 Qualifications completed, by change from previous year, all students**a, b**

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| Figure 5.39 Qualifications completed, by change from previous year, all students  More details can be found within the text surrounding this image. |

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.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.77.

Amongst the VET target groups, between 2007 and 2011 the number of qualifications completed nationally increased by:

* 79.5 per cent for students with disability (table 5A.79)
* 59.9 per cent for students speaking a language other than English at home (table 5A.80)
* 42.1 per cent for students from remote and very remote areas (table 5A.78)
* 102.3 per cent for Indigenous students (table 5A.77).

Nationally, Indigenous students completed 18 950 VET qualifications in 2011, an increase of 21.4 per cent from 15 613 in 2010 and an increase of 102.3 per cent from 9368 in 2007. This represents an average annual increase of 19.3 per cent, compared to 12.9 per cent for all students. Indigenous students accounted for 3.6 per cent of all the qualifications completed in 2011, compared to 2.9 per cent in 2007 (table 5A.77). The number of qualifications completed by Indigenous students varied across jurisdictions (figure 5.40).

Figure 5.40 Qualifications completed, Indigenous students**a, b**

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| Figure 5.40 Qualifications completed, Indigenous students  More details can be found within the text surrounding this image. |

a Qualifications completed includes courses accredited or approved by a local State or Territory authority, and represents students eligible to be awarded a qualification. b The number of qualifications completed includes both government funded and non-government funded VET students.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.77.

Nationally in 2011,

* 16.4 per cent of qualifications completed by all students were at the diploma level or above, 59.9 per cent at certificate level III or IV and 23.7 per cent at certificate level I or II or lower (table 5A.81).
* 76.6 per cent of qualifications completed by all students aged 15–64 years were at the certificate III level or above, compared with 52.5 per cent of qualifications completed by Indigenous students aged 15–64 years and 78.0 per cent for   
  non-Indigenous students aged 15–64 years
* 78.2 per cent of qualifications completed by all students aged 18–24 years were at the certificate III level or above, compared with 53.1 per cent of qualifications completed by Indigenous students aged 18–24 years and 79.5 per cent for   
  non-Indigenous students aged 18–24 years
* 83.2 per cent of qualifications completed by all students aged 20–64 years were at the certificate III level or above, compared with 61.2 per cent of qualifications completed by Indigenous students aged 20–64 years and 84.3 per cent for   
  non-Indigenous students aged 20–64 years (figure 5.41).

Figure 5.41 Qualifications completed in certificate III and above, by target age group and Indigenous status, 2011**a, b, c**

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| Figure 5.41 Qualifications completed in certificate III and above, by target age group and Indigenous status, 2011  15-64 years  More details can be found within the text surrounding this image.  Figure 5.41 Qualifications completed in certificate III and above, by target age group and Indigenous status, 2011  18-24 years  More details can be found within the text surrounding this image.  Figure 5.41 Qualifications completed in certificate III and above, by target age group and Indigenous status, 2011  20-64 years  More details can be found within the text surrounding this image. |

a Qualifications completed includes courses accredited or approved by a local State or Territory authority and represents students eligible to be awarded a qualification. b The number of qualifications completed includes both government funded and non-government funded VET students. c Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (see table 5A.77). Care needs to be taken in comparing qualifications completed due to the high non-response rates in some jurisdictions.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.82.

Nationally in 2011:

* 16.5 per cent of qualifications completed by all students aged 15–64 years were at diploma level or above, compared with 6.6 per cent of qualifications completed by Indigenous students aged 15–64 years and 16.5 per cent for  
  non‑Indigenous students aged 15–64 years
* 15.6 per cent of qualifications completed by all students aged 18‑24 years were at diploma level or above, compared with 3.7 per cent of qualifications completed by Indigenous students aged 18–24 years and 15.3 per cent for  
  non-Indigenous students aged 18–24 years
* 19.5 per cent of qualifications completed by all students aged 20–64 years were at diploma level or above, compared with 8.7 per cent of qualifications completed by Indigenous students aged 20–64 years and 19.5 per cent for  
  non-Indigenous students aged 20–64 years (figure 5.42).

Figure 5.42 Qualifications completed in diploma and above, by target age group and Indigenous status, 2011**a, b, c, d**

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| Figure 5.42 Qualifications completed in diploma and above, by target age group and Indigenous status, 2011  15-64 years  More details can be found within the text surrounding this image.  Figure 5.42 Qualifications completed in diploma and above, by target age group and Indigenous status, 2011  18-24 years  More details can be found within the text surrounding this image.  Figure 5.42 Qualifications completed in diploma and above, by target age group and Indigenous status, 2011  20-64 years  More details can be found within the text surrounding this image. |

a Qualifications completed includes courses accredited or approved by a local State or Territory authority and represents students eligible to be awarded a qualification. b The number of qualifications completed includes both government funded and non-government funded VET students. c Course levels classified as diploma and above are included in the group of courses classified as certificate III and above. d Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form (see table 5A.77). Care needs to be taken in comparing qualifications completed due to the high non-response rates in some jurisdictions.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.82.

##### Skill outputs from VET — units of competency and modules completed

Nationally, all students completed 10.9 million units of competency and modules in 2012, a 39.3 per cent increase from 7.8 million in 2008 (table 5A.84). Trends in the number of units of competency and number of modules completed varied across jurisdictions (figure 5.43).

Figure 5.43 Units of competency and modules completed, all students**a**

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| Figure 5.43 Units of competency and modules completed, all students  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

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

Nationally, Indigenous students completed approximately 432 100 modules and units of competency in 2012, a 33.0 per cent increase from 324 800 units in 2008 (table 5A.88). Trends in the number of units of competency and number of modules completed by Indigenous students varied across jurisdictions (figure 5.44).

Figure 5.44 Units of competency and modules completed, Indigenous students**a**

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| Figure 5.44 Units of competency and modules completed, Indigenous students  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

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

Figure 5.45 shows the annual changes in the combined number of units of competency and modules completed for all students since 2008, indicating that the national number of units of competency completed increased by 8.2 per cent from 2011 to 2012.

Figure 5.45 Units of competency and modules completed by all students, by change from previous year**a**

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| Figure 5.45 Units of competency and modules completed by all students, by change from previous year  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

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

Amongst the VET target groups, between 2008 and 2012 the combined number of units of competency and modules completed nationally changed by:

* an increase of 55.0 per cent for students reporting disability (table 5A.86)
* an increase of 51.2 per cent for students speaking a language other than English at home (table 5A.87)
* a decrease of 5.7 per cent for students from remote and very remote areas (table 5A.85).

##### Skill outputs from VET — Qualification Equivalents

Nationally, government funded VET students undertook training equivalent to approximately 645 300 VET qualifications in 2012, an increase from 575 900 in 2011 and from 414 000 in 2008. The change from 2008 to 2012 represents a 55.9 per cent increase (table 5A.83). Trends in the number of Qualification Equivalents varied across jurisdictions (figure 5.46).

Figure 5.46 Qualification Equivalents, all students, 2012**a**

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| Figure 5.46 Qualification Equivalents, all students, 2012  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.83.

Nationally, government funded VET Indigenous students undertook training equivalent to 26 812 VET qualifications in 2012, an increase from 25 744 in 2011 and from 18 079 in 2008. The change from 2008 to 2012 represents a 48.3 per cent increase (compared with a 55.9 per cent increase for all government funded students over the same period) (table 5A.83). The number of Qualification Equivalents varied across jurisdictions (figure 5.47).

Figure 5.47 Qualification Equivalents, Indigenous students, 2012**a**

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| Figure 5.47 Qualification Equivalents, Indigenous students, 2012  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.83.

Figure 5.48 shows the number of Qualification Equivalents since 2008 for all students at certificate levels III or IV and at diploma level and above. Nationally from 2008 to 2012, the number of Qualification Equivalents increased by 67.5 per cent at certificate levels III or IV, and by 62.0 per cent at diploma level and above (table 5A.83).

Figure 5.48 Qualification Equivalents in selected qualification levels, all students**a**

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| Figure 5.48 Qualification Equivalents in selected qualification levels, all students  Qualificaiton Equivalents in certificate III or IV  More details can be found within the text surrounding this image. |
| Figure 5.48 Qualification Equivalents in selected qualification levels, all students  Qualificaiton Equivalents in diploma and above  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.83.

Figure 5.49 shows the annual changes in Qualification Equivalents at certificate levels III or IV and at diploma level and above since 2008, indicating that Qualification Equivalents increased nationally from 2011 to 2012 by:

* 16.4 per cent at certificate levels III or IV
* 1.9 per cent at diploma level and above.

Figure 5.49 Qualification Equivalents in selected qualification levels for all students, by change from previous year**a**

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| Figure 5.49 Qualification Equivalents in selected qualification levels for all students, by change from previous year  Qualification Equivalents in certificate III or IV  More details can be found within the text surrounding this image.  Figure 5.49 Qualification Equivalents in selected qualification levels for all students, by change from previous year  Qualification Equivalents in diploma and above  More details can be found within the text surrounding this image. |

a Data are for government funded VET students.

*Source*: NCVER (unpublished) National VET provider collection; table 5A.83.

#### Employer outcomes

The biennial *Survey of Employers’ Use and Views of the VET System* (NCVER 2011) captures the extent to which employers make use of, and are satisfied with, aspects of the VET system. The survey reveals the reasons why employers make the choices they do to meet their skill needs, and their levels of satisfaction with the products and services of the VET system. The findings represent the responses of all employers with at least one employee and their training experiences in the 12 months prior to the survey.

The *Survey of Employers’ Use and Views* includes responses from employers in relation to satisfaction with ‘formal vocational qualifications as a job requirement’ where their employees in that category may have completed their required ‘formal vocational qualifications’ prior to the last 12 months (that is, earlier than the survey period), and irrespective of the timing, the training may have been provided by a non-VET provider. This presents a different scope to the rest of this Report, which aims to report data relating to government funded VET programs for specific reporting periods. Data from the 2013 *Survey of Employers’ Use and Views* (released late in 2013) will be included in the 2015 Report.

##### Employer engagement with VET

‘Employer engagement with VET’ is an indicator of governments’ objective that the needs of employers and individuals will be the focus of VET (box 5.16).

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| Box 5.16 Employer engagement with VET |
| ‘Employer engagement with VET’ is defined as the proportion of Australian employers who in the last twelve months:   * had employees undertaking apprenticeships/traineeships, or * arranged or provided nationally recognised training (other than apprenticeships /traineeships) for employees, or * 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 a formal vocational qualification as a requirement of their job is desirable, indicating greater employer engagement with VET.  Data reported for this measure are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2011 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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Nationally in 2011:

* 29.0 per cent of employers reported that they were engaged with apprenticeships or traineeships in the last twelve months (figure 5.50). This varied by industry, from 8.5 per cent in transport, postal and warehousing, to 61.7 per cent in construction (NCVER 2011)
* 21.7 per cent of employers reported that they were engaged with nationally recognised training in the last twelve months (figure 5.50). Engagement with nationally recognised training varied by industry from 11.1 per cent in information, media and telecommunications, to 46.8 per cent in mining (NCVER 2011)
* 34.5 per cent of employers reported that they were engaged with employing people with a formal vocational qualification as a job requirement in the last twelve months (figure 5.50). Employers with vocational qualifications as a job requirement varied from 13.3 per cent in agriculture, forestry and fishing, and in transport, postal and warehousing to 53.4 per cent in education and training (NCVER 2011).

Figure 5.50 Proportion of employers who are engaged with aspects of the VET system, 2011**a, b, c, d**

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| Figure 5.51 - Proportion of employers who are engaged with aspects of the VET system, 2011.  More details can be found within the text surrounding this image. |

a Engagement with apprenticeships/traineeships means an employer had employees undertaking an apprenticeship or traineeship in the last 12 months. b Engagement with nationally recognised training means an employer arranged or provided nationally recognised training to employees over the last 12 months. c Engagement with formal vocational qualifications means an employer had employees in the last 12 months with a formal vocational qualification that was a requirement of their job. d Error bars represent the 95 per cent confidence interval associated with each point estimate.

*Source*: NCVER (unpublished) *Survey of Employers’ Use and Views of the VET System*; table 5A.89.

Table 5A.89 provides additional historical information on employer engagement with VET from 2005 to 2011.

##### Employer satisfaction with VET

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

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| Box 5.17 Employer satisfaction with VET |
| ‘Employer satisfaction with VET’ is defined as the proportion of Australian employers who engaged in an aspect of VET, and who are satisfied with VET in meeting the skill needs of their workforce.  A high or increasing proportion of employers who are satisfied with VET in meeting the skill needs of their workforce is desirable.  Data reported for this indicator are   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2011 data are available for all jurisdictions providing the service.   Data quality information for this indicator is at www.pc.gov.au/gsp/reports/rogs/2014. |
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Nationally in 2011:

* 82.7 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 5.51). Satisfaction was 83.2 per cent in the 2009 survey (table 5A.90). Employer satisfaction with using apprenticeships or traineeships as a way of meeting skill needs varied across industry, with the lowest satisfaction levels in the 2011 survey in information, media and telecommunications (69.6 per cent) (NCVER 2011)
* 88.5 per cent of employers who arranged or provided nationally recognised training to employees over the past 12 months were satisfied with nationally recognised training as a way of providing employees with skills required for the job (figure 5.51). Satisfaction was 85.8 per cent in the 2009 survey (table 5A.90). Employer satisfaction with using nationally recognised training as a way of providing employees with skills required for the job in the 2011 survey was lowest in information, media and telecommunications (76.6 per cent) (NCVER 2011)
* 84.8 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 their skill needs for the job (figure 5.51). Satisfaction was 83.4 per cent in the 2009 survey (table 5A.90). Employer satisfaction with using vocational qualifications as a job requirement as a way of meeting skill needs in the 2011 survey was lowest in information, media and telecommunications (78.8 per cent) (NCVER 2011).

Figure 5.51 Proportion of employers who engaged with an aspect of the VET system and are satisfied with VET as a way of meeting their skill needs, 2011**a, b, c**

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| Figure 5.52 - 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, 2011.  More details can be found within the text surrounding this image. |

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 Further information concerning employer satisfaction are provided in the footnotes of table 5A.90. c Error bars represent the 95 per cent confidence interval associated with each point estimate.

*Source*: NCVER (unpublished) *Survey of Employers’ Use and Views of the VET System*; table 5A.90.

Table 5A.90 provides additional historical information on employer satisfaction with VET from 2005 to 2011.

## 5.4 Future directions in performance reporting

### Improving reporting of indicators

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

* improving the quality of outcomes data for Indigenous students
* reporting on students who commenced and completed courses and developing related skill profile indicators
* improving the timeliness of qualifications completed data.

## 5.5 Jurisdictions’ comments

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

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| **“** | Australian Government comments | **”** |
| In April 2012 the Commonwealth and all states and territories agreed a revised National Agreement on Skills and Workforce Development and a new National Partnership Agreement on Skills Reform.   * Under the National Agreement, the Australian Government will provide Special Purpose Payments of $1.4 billion each year to the states and territories as a contribution towards the operation of their training systems. * Under the Skills Reform National Partnership the Australian Government will invest an additional $1.75 billion over five years from 2012 for reforms to make the VET system more responsive, accessible, transparent and of higher quality.   The key reforms to be delivered under the Skills Reform National Partnership include:   * a national training entitlement for a government subsidised training place to at least the first Certificate III qualification for eligible working age Australians * the national extension of income contingent loans for government subsidised Diploma and Advanced Diploma students * improving VET information portals and systems to support consumer choice in contestable demand driven training markets * improving the quality of training through independent validation of training provider assessments in consultation with industry.   Each state and territory has agreed a jurisdiction specific Implementation Plan with the Commonwealth, which sets out the way in which structural reforms and improvements in training outcomes will be delivered in their jurisdiction. |

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| **“** | New South Wales Government comments | **”** |
| NSW continues to deliver high quality Vocational Education and Training (VET) to meet the skill needs of industry and the people of NSW. In 2012, 153.6 million hours of training were delivered throughout the State, with 27 per cent of all Australian VET qualifications being completed by NSW students in 2011.  NSW has introduced a number of initiatives to ensure that we have an educated and skilled workforce to drive a productive and growing economy. These include:   * more students enrolling in higher level qualifications (Certificate III, Diploma) and, more importantly, a higher proportion completing their qualifications * students graduating in the first TAFE NSW bachelor degree level qualification * announced the Smart and Skilled reforms of vocational education and training (VET). These will give more people the chance to gain the skills they need to get a job and advance their careers.   TAFE NSW offers unparalleled breadth and depth of training across its network of ten TAFE NSW Institutes and 130 campuses. Each TAFE NSW Institute is embedded within its community, has extensive business and community partnerships and offers training and related services customised to the specific needs of the region including addressing specialist training requirements of regional and remote communities.  A key role of TAFE NSW is to provide training for the occupations that drive the productivity and growth of New South Wales. TAFE NSW prioritises the delivery of training to support growing industry areas with strong job prospects.  Through independent analysis, research and comprehensive industry consultation, TAFE NSW anticipates industry demand for training and skills. Based on the resultant evidence, public funding is allocated to training according to the skills in demand in each region. TAFE NSW is uniquely able to rapidly respond to the changing needs of the economy, region by region.  A high priority for NSW is helping young people to make a successful transition from school to further education, training and employment and improving the completion rates of apprentices and trainees. Initiatives to achieve these goals include:   * increasing partnerships with industry and enterprises to deliver workforce development solutions and increased work-based, flexible and online delivery; and * reducing the duration of 28 trade qualifications through skill-based assessments, with further reductions where there is relevant prior learning. |

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| **“** | Victorian Government comments | **”** |
| The introduction of the Victorian Training Guarantee (VTG) in 2008 resulted in significant growth in government subsidised activity, with the number of students engaged in government subsidised training increasing by about 193 300 or 64 per cent between 2008 and 2012. This growth in training activity was not necessarily always in areas of industry and economic need. In response the Government in May 2012 announced Refocusing Vocational Training in Victoria (RVT), to ensure investment better targets areas of greatest public benefit and future jobs growth, such as training in “in shortage” and specialised occupations.  Under RVT the individual entitlement to a subsidised training place was retained and strengthened to ensure that businesses and students continued to be able to choose what and where they studied. The reform package also made sure that the cost of access remained sustainable and government subsidies focused on areas of greatest public value. The public value of each course being assessed on the basis of its value to the economy in terms of jobs or productivity and the extent to which an incentive is needed to stimulate delivery of training by providers and participation by enough students to meet industry needs.  Since the introduction of the RVT reforms there has been a shift to a greater number of government subsidised enrolments in courses contributing to improving Victoria’s economic prosperity. Victorian data shows that government subsidised enrolments in training related to “in shortage” occupations increased by 18 per cent to over 150 000 enrolments in 2012 compared to the previous year, preliminary results for 2013 confirm this trend is continuing.  Since the twelve months of market operation under the new market settings announced in 2012 and there is early evidence that the introduction of new subsidy bands, which saw 20 per cent of Government funded courses either retaining or attracting higher subsidy levels than before and reductions in areas that were experiencing unprecedented growth, has resulted in an adjustment to training demand and with it, a rebalancing of Government investment in the first half of 2013. Such adjustments are broadly aligned with key labour market requirements, as evidenced by the change in share of course commencements from low public value to higher value. Victorian data indicates that after 12 months of market operation of RVT, the share of commencing course enrolments of higher public value courses increased by 20 percentage points to 69 per cent by the middle of 2013.  In conjunction with the greater alignment of training to industry needs, has been the ongoing increase in the participation of learners facing barriers, Victorian data shows that the participation of unemployed students for example has increased by 73 per cent between 2008 to 2012 and preliminary data for 2013 indicate that this trend is continuing. |

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| **“** | Queensland Government comments | **”** |
| The Queensland Government is committed to revitalising its vocational education and training (VET) sector as a key strategy to deliver on its promise to grow a four pillar economy (based on tourism, agriculture, resources and construction) and reduce unemployment in the State. A vibrant and responsive VET sector will play a pivotal role in achieving the government's vision of a system that fosters economic growth through improved productivity.  In June 2012, the Queensland Government established the Queensland Skills and Training Taskforce to provide independent advice and recommendations to reform the operations and outcomes of Queensland's VET sector. Taskforce membership comprised key industry, business and government leaders.  The Taskforce conducted a comprehensive review of the VET sector, supported by wide ranging and extensive consultation with stakeholders. Upon conclusion of its review in November 2012, the Taskforce delivered its final report, paving the way for a major overhaul of Queensland's VET sector to meet the needs of both industry and students.  The Queensland Government released its government response to the Queensland Skills and Training Taskforce final report in November 2012.  The Government Response supported the majority of the Taskforce's recommendations and committed to the release of a five-year VET action plan in 2013 outlining a long term vision for the sector, supporting Queensland's commitment to focusing on job outcomes, transforming VET investment, renewing TAFE Queensland and reforming trade skill pathways in order to revamp and modernise Queensland's VET sector.  The Queensland Government's five year action plan for further education and training — *Great skills. Real opportunities.* — was released on 8 June 2013. Commencing in 2013 and continuing over a five year period, the plan will deliver sustainable reform for Queensland's VET sector.  Industry, employers, providers, students, apprentices and trainees are at the heart of Queensland skills reforms. Key actions in the plan include:   * engaging industry and employers in a partnership to match training to employment; * making training accessible to all Queenslanders; and * delivering quality training linked to employment outcomes. |

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| **“** | Western Australian Government comments | **”** |
| Western Australia continues its work towards the strategic goals identified in Skilling WA – A workforce development plan for Western Australia. This plan identifies training as a key mechanism for workforce development as it can increase the potential of all Western Australians to contribute to the state’s economic development and to benefit from it.  Western Australia’s training system operates over a vast and geographically diverse state. It serves a range of metropolitan, regional and remote communities and the Western Australian government works to ensure that the delivery of services is equitable. In 2012, a network of 365 registered training organisations delivered publicly funded training in 2251 locations across the state and the participation rate in regional and remote areas was high. Students in remote and very remote areas experienced positive outcomes, with 91 per cent of graduates in employment after training.  The Western Australian government works with industry representatives and employers to ensure that training meets stakeholder needs. The apprenticeship system is vital part of this and continues to provide the skills needed by the state. As at 30 June 2012, there was a record high of 45 000 apprentices and trainees in training.  Overall student outcomes were positive for the 145 318 students in 2012, with an 86 per cent student satisfaction rate and an 82 per cent graduate employment rate. In addition, the proportion of qualification completions at Diploma level continued to rise, from 12.2 per cent in 2010 to 13.7 per cent in 2011.  The Western Australian government is deeply committed to improving training and employment outcomes for Aboriginal people and recognises that meaningful outcomes can only be achieved through strong collaboration and partnerships. 2012 was a successful year, with an 88 per cent satisfaction rate among Aboriginal students at Western Australia’s State Training Providers and 85 per cent of Aboriginal graduates employed or in further study after training.  In 2013 the Department announced the release of Future Skills WA: Training for tomorrow's opportunities. Future Skills WA will commence on January 1 2014 and Western Australians will be guaranteed a government subsidised training place at a training provider of choice, where the enrolment is in a qualification that meets the priorities of the State. The new reform is intended to increase access to priority training opportunities; give greater student choice of training provider; align investment in skills to meet current and future industry needs; and ensure a sustainable government subsidised training system.  In the context of these reforms, the Minister for Training and Workforce Development has initiated the independent Seares Review of Western Australia’s VET sector. The review will look at strategies and make recommendations to support the future growth of State Training Providers and create a plan for streamlined information flows between industry, the sector and the State Government. The report is due to be delivered in April 2014. |

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| **“** | South Australian Government comments | **”** |
| *Skills for All* was implemented during 2012, resulting in the most significant reform in the history of the Vocational Education and Training (VET) system in South Australia, and creating a fully contestable VET market.  *Skills for All* is a demand driven system, more responsive to students, industry and business, supporting the state’s productivity and participation objectives. Skills for All aims to increase people’s skills, labour market outcomes and career opportunities by offering training for existing workers and job seekers. The introduction of *Skills for All* resulted in significant increases in government-funded VET activity from 2011 to 2012:  • Students: increasing by 21.3 per cent, from 101 600 to 123 300  • Course enrolments: increasing by 29.2 per cent, from 112 300 to 145 200  • Subject enrolments: increasing by 25.4 per cent, from 811 400 to 1 017 400  • Increased participation for target groups  • Efficiency improvements with government expenditure per annual hour decreasing by 25.0 per cent, from $14.09 in 2011 to $10.57 in 2012.  Infrastructure investment in 2012 resulted in significant progress on the $125 million Sustainable Industries Education Centre at Tonsley Park and the announcement of the $38.3 million Mining and Engineering Centre at Regency Park. These two flagship projects highlight the $250 million investment that the South Australian government has made in VET over the last few years.  South Australia, through its Science, Technology, Engineering and Mathematics (STEM) Strategy provided a range of STEM related educational programs through Skills for All, with increased enrolment activity, and progressed two key initiatives:  • Women in STEM – A report providing a comprehensive analysis of female participation rates in STEM fields  • STEM Portal – a one-stop web-based point of reference for all issues related to STEM.  Throughout the year the Department assisted/funded:  • almost 9 000 individuals under Skills for All in the Regions programs with almost 2 500 gaining employment and many more continuing their studies  • 135 Aboriginal jobseekers were given the opportunity to undertake training which could lead to jobs in the mining sector through a joint state and Australian Government program Connecting Aboriginal People to Mining  • Additional funds in Adult Community Education to create an extra 6 000 training places aimed at increasing adult literacy and numeracy skills  • South Australia continued the Learner Support Services program, increasing completion rates of students experiencing significant barriers to learning. |
| **“** | Tasmanian Government comments | **”** |
| 2012 marked the start of a period of change in the Tasmanian training and workforce development system that will continue over a number of years.  There was a focus on aligning the actions of the Tasmanian Skills Strategy with those of the Tasmanian Economic Development Plan; the renewed National Agreement on Skills and Workforce Development and the new National Partnership Agreement on Skills Reform, both of which were signed in April 2012; and continuing feedback from Tasmanian industry.  The Minister for Education and Skills commissioned a Review of the Role and Function of Tasmania’s Public Sector VET Providers in late 2011. The findings of the review, known as the Simmons’ Review, have led to significant changes in Tasmania’s training system. Major changes include a new *Training and Workforce Development Act* to cover the provision of VET in Tasmania; the establishment of a new sole public registered training organisation, TasTAFE; and new arrangements for how Government seeks strategic advice from industry. Significant work occurred in 2012 to prepare the system for these changes; the changes will come into effect during 2013.  During 2012:  • 42 800 Tasmanians increased their skills through VET studies;  • 13 067 Tasmanian Apprentices and Trainees were in training; and  • 12.3 per cent of the working aged Tasmanians participated in VET.  Participation in and spending on VET fell in 2012. This was partially due to the end of the National Partnership Agreement on Productivity Places Program in 2012, which led to a decline in funding and training places available in the Tasmanian training system.  Tasmanian training contract completion and attrition rates for apprentices and trainees remained significantly higher than the national average in 2012. For example across all occupations, Tasmania’s completion rate for contracts started in 2007 was 58.6 per cent compared to the national rate of 50.8 per cent.  Some of the Tasmania’s successes in 2012 included:  • The launch of 26TEN, a state-wide campaign to help improve adult literacy in Tasmania, which includes a members program, a website, a 1300 service, literacy awareness and plain English workshops, a grant program and a public awareness campaign;  • Tasmanian Small Employer of the Year, Comstar Systems, and Tasmanian VET teacher of the Year, Fiona French, both won awards in their respective categories at the Australian Training Awards; and  • Skills Tasmania, in partnership with TAFE NSW, managed the National E‑learning for Participation and Skills Program for the National VET E-Learning Strategy. |

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| **“** | Australian Capital Territory Government comments | **”** |
| The ACT maintained exceptional education levels and employment outcomes between the Census years 2006 and 2011. In 2012 the challenge that confronted the ACT was to both sustain and improve on these high attainment levels. To achieve this, the ACT Government’s VET efforts focused on supporting the skill needs of industry and students, including those from disadvantaged groups.  Notable achievements were made in 2012 in the areas of employment-based training in the early childhood education and care (ECEC) sector, support for students with a disability and completions of apprenticeship and traineeships by Aboriginal and Torres Strait Islander young people.  According to NCVER estimates for 2012, completions of traineeships in qualifications approved for the purpose of the *Education and Care Services* *National Law Act 2010* increased by 59 per cent in the ACT when compared with 2011 completions. In addition, the Joint Group Training Program in the ACT assisted trainees with additional support needs, and their employers, to ensure the successful completion of Certificate III in Children’s Services qualifications. Further, an initiative of the ACT Government, beginning in 2012, provided Certificate III in Children’s Services scholarships to employees not able to undertake traineeships and subsidies to their employers to provide study release during work hours.  Between 2009 and 2012, the ACT Government funded the Canberra Institute of Technology (CIT) to purchase specialised ICT equipment and adaptive software to assist students with a disability requiring high level support. The CIT also provides disability education advisors and specialist disability support workers to assist students with a disability across four campuses and two flexible learning centres. In 2012 commencements in AQF Certificate III and above qualifications by students with a disability at CIT were 52 per cent higher than in 2008. Completions in AQF Certificate III and above qualifications in 2011 by students with a disability at CIT were also 52 per cent higher than in 2008.  The gap between Indigenous and non-Indigenous youth (age 20-24) with a Year 12 or equivalent attainment narrowed by 4.4 percentage points between 2006 and 2011 in the ACT. In 2012, apprenticeship and traineeship completions by Aboriginal and Torres Strait Islander young people aged 15 to 19 years in the ACT are estimated by NCVER to be 83 per cent higher in 2012 than 2011. In the ACT Australian School-based Apprenticeships (ASBAs) that develop work readiness skills in preparation for further study towards a skilled occupation are assisting young Aboriginal and Torres Strait Islander students to complete their Year 12 and transition to employment and further education or training. Since 2010, the ACT Education and Training Directorate has promoted ASBA programs specifically designed for Aboriginal and Torres Strait Islander students. In 2012 Aboriginal and Torres Strait Islander students are accessing ASBAs in a notably wider range of occupation areas than was the case in the years prior to 2010. |

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| **“** | Northern Territory Government comments | **”** |
| In 2012, the Northern Territory Government continued with its strategy to move the State Training Authority into the agency responsible for business and industry. This move has assisted to realign the focus of the authority to meet industry needs, ensuring the Northern Territory is in the best position to develop a workforce that can meet the needs of Territory businesses and the demands of current and future major projects such as:   * Ichthys Liquefied Natural Gas Project * Bayu-Undan Gas field in the Timor Sea * Marine Supply Base, which will service the oil and gas industry.   The *Productivity Places Program* entered its final year in 2012 with an allocation of both job seeker and existing worker places across various industry sectors including building and construction, community services and health, mining and electro-technology, primary industries, tourism and hospitality, occupational health and safety and training and assessment. Of the places which commenced in 2012 (1393), 77 per cent have already completed, noting that some participants are still in the process of completing their qualifications.  The Northern Territory continues to have the highest VET participation rate for the nation, with nearly one in every ten (9.3 per cent) Territorians and 12.5 per cent of the working age population (ages 15-64) participating in government funded vocational training.  Additional highlights of 2012 include:   * The department continued to work with industry to identify programs specifically aimed at developing ‘Green Skills’ * 43 per cent of the Northern Territory’s government funded vocational students were indigenous * 23 per cent of the Northern Territory’s apprentices/trainees who were in-training in 2012 were indigenous * 48 per cent of the students studying under the apprentice/trainee scheme were training in a traditional trade occupation. |

## 5.6 Definitions of key terms

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| **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).  Data on qualifications completed includes both government and  non-government funded VET students attending TAFE, and only government funded students from private providers. This differs to other data under the outcome indicator ‘skill profile', such as data for units of competency and modules completed, which are reported for government-funded students only (in keeping with the scope of the VET chapter focusing on government-funded activity). This is due to a limitation of the data, that does not enable correct disaggregation of completions by funding source. |
| **Course** | A structured program of study that leads to the acquisition of identified competencies and includes assessment leading to a qualification. |
| **Course mix weight** | Expenditure per annual hour is weighted to recognise the different proportions of relatively more expensive and less expensive training programs which occur across jurisdictions. One method of calculating these course mix weights applies to all years in this Report. Under this method, cost relativities by subject field of education are applied to tabulations of annual hours by subject field of education and state/territory. A course mix weighting greater than 1.000 indicates that the State or Territory is offering relatively more expensive programs compared with the national profile. |
| **Employer engagement with VET** | The proportion of Australian employers who in the last 12 months had employees undertaking apprenticeships/traineeships (now referred to as Australian Apprenticeships), or 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. |

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| **Employer satisfaction with VET** | | The proportion of Australian employers who engaged in an aspect of VET, and who were satisfied with VET in meeting the skill needs of their workforce. The components of satisfaction with the VET system are satisfaction with apprentices/trainees, nationally recognised training, and formal vocational qualifications as a job requirement. Satisfaction is measured on a 5 point scale, ‘satisfied’ includes employers who were satisfied or very satisfied and ‘dissatisfied’ includes employers who were dissatisfied or very dissatisfied. | |
| **Enrolment** | | The registration of a student at a training organisation’s delivery location for the purpose of undertaking a program of study. The enrolment is considered valid only if the student has undertaken enrolment procedures, met their fee obligations, and has engaged in learning activity regardless of the mode of delivery.  A VET student may be enrolled in more than one VET training program, and therefore there are more ‘enrolments’ in the VET system than ‘students’. This may be of importance if comparing VET data in this chapter with other VET data. | |
| **Fee-for-service activity** | | Training for which most or all of the cost is borne by the student or a person or organisation on behalf of the student. | |
| **Government funded VET students** | | Government funded VET students who are funded under Commonwealth and State recurrent, Commonwealth specific and State specific funding. This includes activity funded under the NASWD, and excludes students participating in VET programs delivered in schools (where the delivery was undertaken by schools) or who undertook ‘recreation, leisure or personal enrichment’ education programs. Fee for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded. | |
| **Government recurrent expenditure per annual hour** | | Government recurrent expenditure divided by the number of government funded annual hours (adjusted for invalid enrolment rates). Expenditure is adjusted for course mix weight. | |
| **Government recurrent expenditure per load pass** | | Government recurrent expenditure divided by the number of hours successfully completed from assessable government funded enrolments of modules and units of competency achieved/passed and RPL. | |
| **Graduate** | | A person who has completed a VET program. | |
| **Graduates’ main reason for undertaking a VET course** | | Either seeking an employment–related outcome (to get a job, to try for a different career, to meet job requirements, to get extra job skills), seeking a further study outcome (to get into another course) or seeking a personal development outcome (for personal interest, for other reasons). | |
| **Language other than English (LOTE) spoken at home** | | Students speaking a language other than English at home are those who self-identify on their enrolment form that they speak a language other than English at home. | |
| **Load pass rate** | | The ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to the hours of all students who were assessed and either passed, failed or withdrew. Load pass rate is calculated as the total competency achieved/passed and RPL divided by the total competency achieved/passed, RPL, competency not achieved/failed and withdrawn. | |
| **Module** | | A unit of training in which a student can enrol and be assessed. | |
| **Private provider** | | A commercial organisation that provides training to individuals and industry. | |
| **Program of study** | | A generic term to describe Training Package qualifications, nationally recognised accredited courses, other courses (not nationally recognised accredited courses), units of competency and modules. | |
| **Qualification Equivalents (QE)** | | Qualification Equivalents (QE) is a measure of the quantum of training relative to the effort required to fully complete a VET qualification.  QE expresses skill outputs in terms of equivalent qualifications within each AQF level and field of education. QEs are based on the training activity (annual hours) associated with completions of modules and units of competency, divided by an agreed value of training activity representing a qualification.  All courses have a nominal hour value reported as part of the national VET provider collection. This value provides a guide to the amount of activity that is required to complete the qualifications. These courses are classified by Australian Standard Classification of Education (ASCED) field of education and qualification level. For example, the median hours associated with a course in the field of education Food, Hospitality and Personal Services at diploma level for 2005 was 1660 hours. The number of hours successfully completed in modules and units of competency from these courses was 353 052. These 353 052 nominal hours represent 213 equivalent diploma qualifications. | |
| **Real** | | Actual expenditure/funding/assets adjusted for changes in prices. Adjustments are made using the GDP chain price deflator and expressed in terms of final year prices. | |
| **Recognition of prior learning (RPL)** | | RPL is an assessment process through which students may gain formal recognition for the skills they already have. An enrolment where the student has been assessed competent for the whole unit of competency or module by a trainer. The result of the assessment is on the basis of the student’s prior skills and knowledge acquired through previous training, work or life experience. | |
| **Recurrent funding** | | Funding provided by the Australian, State and Territory governments to cover operating costs, salaries and rent. | |
| **Registered training organisation (RTO)** | | RTOs are organisations registered by a State or Territory recognition authority to deliver specified VET and/or assessment services, and issue nationally recognised qualifications in accordance with the AQTF. RTOs include TAFE colleges and institutes, adult and community education providers, private providers, community organisations, schools, higher education institutions, commercial and enterprise training providers, industry bodies and other organisations meeting the registration requirements. | |
| **Remoteness** | | Remoteness is described using ARIA+, which is published as a 1 kilometre grid or matrix that covers the whole of Australia. The ABS calculated the arithmetic mean ARIA+ values for each Census Collection Districts (CCD) that formed the base level of the Remoteness Structure.  **CCD Average ARIA+ value ranges**  Major Cities: 0 to 0.2 Inner Regional: greater than 0.2 and less than or equal to 2.4 Outer Regional: greater than 2.4 and less than or equal to 5.92 Remote: greater than 5.92 and less than or equal to 10.53 Very remote: greater than 10.53 | |
| **TAFE** | | Technical and further education colleges and institutes, which are the primary providers of government funded VET. | |
| **Training packages** | | An integrated set of nationally endorsed standards, guidelines and qualifications for training, assessing and recognising people’s skills, developed by industry to meet the training needs of an industry or group of industries. Training packages consist of core endorsed components of competency standards, assessment guidelines and qualifications, and optional non-endorsed components of support materials such as learning strategies, assessment resources and professional development materials.  A Training Package is the grouping together of the training components designed to assist in achieving the competencies for a specific industry. Units of competency are packaged together which, when combined at various levels, can form qualifications (Certificate, Diploma etc.). | |
| **Unit of competency** | | A unit of competency is the smallest component of a VET program that can be assessed and recognised in the VET system for collection purposes. | |
| **User cost of capital per annual hour** | User cost of capital (which is the opportunity cost of funds tied up in the capital used to deliver services, calculated as 8 per cent of the total value of the physical non-current assets) divided by government funded annual hours and course mix weight. | |
| **User cost of capital per load pass** | User cost of capital (which is the opportunity cost of funds tied up in the capital used to deliver services, calculated as 8 per cent of the total value of the physical non-current assets) divided by successfully completed government funded VET modules or units of competency. | |
| **VET participation** | | VET student participation data presented in this Report refer only to VET students who were funded by government expenditure and delivered by TAFE and other government providers (including multi-sector higher education institutions), registered community providers and registered private providers. They do not include students who participated in VET programs delivered in schools (where the delivery was undertaken by schools) or undertook ‘recreation, leisure or personal enrichment’ education programs. Fee-for-service by private providers, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are also excluded.  A VET student may be enrolled in more than one VET training program, and therefore there are more ‘enrolments’ in the VET system than ‘students’. This distinction between ‘student’ numbers and the number of ‘enrolments’ (or ‘student enrolments’) may be of importance if comparing VET data in this chapter with other VET data. | |
| **VET participation by Indigenous Australians** | | The number of government funded participants of all ages in the VET system reported as Indigenous as a proportion of the number of Indigenous Australians aged 15–64 years in the Australian population.  Indigenous students are defined as those who self-identify on enrolment forms that they are of Aboriginal and/or Torres Strait Islander background. Not all students respond to the relevant question on the enrolment form. | |
| **VET participation by students speaking a language other than English** | | The number of government funded participants of all ages in the VET system speaking a language other than English at home as a proportion of the number of all people in the Australian population speaking a language other than English at home. | |
| **VET participation rate for people aged  15–64 years** | | The number of government funded participants aged 15–64 years in the VET system as a proportion of the number of people in Australia (or each jurisdiction) aged 15–64 years. | |
| **VET participation rate for people of all ages by region** | | The number of government funded participants of all ages in the VET system based on students’ home postcodes using the Accessibility and Remoteness Index for Australia (that is, major cities; inner regional areas; outer regional areas; remote and very remote areas) as a proportion of the total population of people in those geographic areas. | |
| **VET program** | | A course or module offered by a training organisation in which students may enrol and gives people work-related knowledge and skills. | |
| **Whether the VET course helped graduates achieve their main reason for doing the course** | | Whether ‘the course helped’, ‘the course partly helped’, ‘the course did not help’ or the graduates ‘cannot say’. | |

## 5.7 List of attachment tables

Attachment tables are identified in references throughout this chapter by a ‘5A’ prefix (for example, table 5A.1). Attachment tables are available on the Review website (www.pc.gov.au/gsp).

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## 5.8 References

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