# 5 Vocational education and training

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This chapter reports performance information for government‑funded vocational education and training (VET) in Australia.

All abbreviations used in this Report are available in a complete list in volume A: Approach to performance reporting.

## 5.1 Profile of vocational education and training

### Service overview

The VET system provides training for entry level jobs through to highly technical occupations, but also provides training for non‑employment related reasons. Nationally in 2015, the main purpose for students to participate in VET was for:

* employment related reasons(84.6 per cent and 77.9 per cent of VET graduates and subject completers, respectively)
* personal development (11.3 per cent and 19.9 per cent of VET graduates and subject completers, respectively)
* pathways to further study (4.1 per cent and 2.2 per cent of VET graduates and subject completers, respectively) (NCVER 2015a).

To achieve these aims, a student may choose to complete a single subject/unit of competency, a skill set, or a VET qualificationas part of a course (NCVER 2016b; PM&C 2014). VET qualifications range from Certificate level I to Graduate Diploma level, as determined by the Australian Qualifications Framework (AQF) (AQF 2015) (sector overview B).

Total VET activity refers to all nationally accredited training, regardless of funding source. The focus of this Report is on VET activity that is ‘government‑funded’, that is, government subsidised or financed training, which is delivered by a government, community education or other registered training provider (figure 5.1).[[1]](#footnote-1)

| Figure 5.1 Government‑funded VET as a component of total VET activity**a, b** |
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| |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  | | |  | Registered Training Organisations | | | | | | | Source of funding | | |  | Government VET providers  — TAFE and other government RTOsc | | | | Community education providers | Other registered providers | |  |  | | | |  |  | |  | Government subsidised/financed | | | **🗸** | | | | **🗸** | **🗸** | |  | Domestic fee‑for‑serviced | | |  | | | |  |  | |  | International fee‑for‑serviced | | |  | | | |  |  | |  | | | | | | | | | | |  | **🗸** | Government‑funded VET | | | **🗸** | | Total VET Activity | | | |  |  | |  | | | | | | | | | | |
| TAFE = technical and further education (TAFE) institutes. RTO = Registered training organisation.  a Government‑funded VET excludes VET in schools programs delivered in schools (for information see School education [chapter 4]), but includes VET in schools programs delivered at TAFE. b Government‑funded VET excludes recreation, leisure or personal enrichment education programs. c Multi‑sector higher education providers are reported as government providers. d Fee‑for‑service students pay 100 per cent of their VET fees from private (non‑government) sources, but domestic students may receive financial support from government (such as VET‑FEE HELP). |
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### Roles and responsibilities

VET is an area of shared responsibility between interlinked government, industry and individual stakeholders (figure 5.2).

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| Figure 5.2 VET roles and responsibilities in 2015 |
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| a From 2016, the Australian Government introduced administrative changes relating to industry liaison in VET. Further information can be found at www.aisc.net.au. |
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##### Federal governance arrangements

Government roles and responsibilities are outlined in the *National Agreement on Skills and Workforce Development* (NASWD) and the *National Partnership Agreement on Skills Reform* (COAG 2012a, 2012b), and are summarised below:

* State and Territory governments provide approximately two‑thirds of government funding to VET and manage VET delivery within their jurisdiction (including the effective operation of the training market).
* The Australian Government provides financial support to State and Territory governments to sustain national training systems and provides specific incentives, interventions and assistance for national priority areas.
* The Australian Government and State and Territory governments work together to progress and implement national policy priorities. The COAG Industry and Skills Council — comprising Australian, State and Territory ministers with portfolio responsibility for industry and skills — has responsibility to pursue and monitor priority issues of national significance in relation to industry and skills policy and to take action to resolve issues that arise between governments (DIS 2015).

##### Industry liaison

*Industry Skills Councils* are independent, industry‑led, not‑for‑profit companies funded by the Australian Government. Their role is to identify and respond to the skill development and workforce planning needs of their respective industries (ISC 2015).

The *Vocational Education and Training Advisory Board*,comprised of industry representatives, was established in 2015 to provide advice to the Commonwealth Minister for Industry regarding priorities for reforms across the breadth of the VET sector.

##### Regulation of VET

The Australian Skills Quality Authority (ASQA) regulates courses and training providers to ensure nationally approved quality standards are met (ASQA 2015). ASQA has jurisdiction over all registered training organisations (RTOs), except for multi‑sector training providers and RTOs that operate solely in Victoria or WA (and do not offer services to overseas students) where other regulators are also involved.

##### Registered Training Organisations

RTOs are the institutions within which organised VET takes place, including:

* *government VET providers* — such as technical and further education (TAFE) institutes, agricultural colleges and multi‑sector education institutions
* *community education providers* — such as adult and community education providers
* *other registered providers* — such as: private training businesses; industry and community bodies with an RTO arm; employers that have RTO status to train their own staff; Group Training Organisations or Apprenticeship Network Providers that also deliver VET services.

##### Nationally recognised training

The VET sector delivers ‘nationally recognised training’ through:

* *Training packages* that are occupational skills standards against which training delivery and assessment of competency can take place. They are developed through a process of national consultation with industry. (See section 5.4 for definition of training packages.)
* *VET accredited courses* which enable nationally accredited training in niche areas or in response to rapidly‑emerging industry needs, where these are not covered by existing training package qualifications.

Nationally recognised VET qualifications or VET statements of attainment are issued by RTOs following the full or partial completion of a qualification from a training package or VET accredited course. Apprenticeships/traineeships combine employment and competency‑based training, including both formal nationally recognised training and on‑the‑job training.

### Funding

The Australian, State and Territory governments’ recurrent expenditure (excluding user cost of capital) on VET totalled $5.4 billion in 2015 — in real terms this represents a decrease of 2.1 per cent from 2014, but an overall increase of 8.0 per cent from 2006 (table 5A.1).

Figure 5.3 outlines the major funding flows within the VET system in 2015.

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| Figure 5.3 Major funding flows within the VET system, 2015 |
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##### Government grants and competitive tendering

The main source of government recurrent funding of VET is via government grants and appropriations and/or competitive tendering/user choice mechanisms. Nationally in 2015:

* State and Territory governments provided $3.3 billion in government appropriations and program funding to RTOs (64.7 per cent of total funding)
* the Australian Government provided $1.8 billion to State and Territory governments, with the majority provided through specific purpose and national partnership payments (table 5A.10).

Government funding of VET is provided to a mixture of government RTOs (including TAFEs), and community education providers and other registered RTOs. Nationally, government payments to non‑TAFE providers have almost tripled since 2006, to $1.4 billion in 2015 (table 5A.9).

Nationally in 2015, $2.3 billion (44.2 per cent) of government appropriations and program funding was allocated on a competitive basis — a 5.8 per cent decrease in real terms from 2014. The majority of funding allocated on a competitive basis was provided through entitlement fundingprograms (see section 5.4 for definition) (63.9 per cent of all contestable funding allocated to VET in 2015) (table 5A.10).

##### Other funding

Financial support to *students, employers and industry* from the Australian, State and Territory governments includes the following:

* Incentives and loans to individuals — such as incentive payments (for example, to support with the cost of learning during training) and program subsidies and government loans (for example, VET FEE‑HELP — see section 5.4 for definition).
* Skills development and incentives to employers — including support with the cost of employing and training staff in the form of subsidies and incentive payments (such as for Australian Apprenticeships).
* Support for the National Training System — including funding to industry bodies to support the training system, and assist in the identification of skills needs and the development of skills programs (for example, Industry Skills Councils and Australian Apprenticeships Centres) (Australian Government 2015).

Governments provide for a number of *specifically funded VET programs* to provide support for target individuals or communities. For example, support for people with special needs to engage with training, or support for school‑based VET programs (such as VET in schools and Trade Training Centres programs) (DET 2015).

### Size and scope

#### Students

Nationally in 2015, around 1.2 million government‑funded students participated in VET, at an annual average of 314.7 hours per student (table 5A.4). Data on the proportions of government‑funded VET students by age, Indigenous status, sex, remoteness, disability status and language spoken at home are available in tables 5A.11–5A.16.

#### Institutions and courses

Nationally in 2015, government‑funded VET students were enrolled in 1.6 million courses (table 5A.6), with these courses delivered by 1978 RTOs at 35 179 locations in Australia (table 5A.3). Data on enrolments by Indigenous status, remoteness and for AQF level III or above are in table 5A.6, with these data for students aged 20–64 years in table 5A.7.

The highest qualification level being attempted by the majority of government‑funded VET students was certificate level III or IV (59.1 per cent), followed by students enrolled in a certificate level I or II course (20.1 per cent) or a diploma or above course (11.7 per cent). A further 9.1 per cent of government‑funded students were enrolled in a course that did not lead directly to a qualification (table 5A.5).

## 5.2 Framework of performance indicators

Box 5.1 describes the vision and objective for the VET system. Where relevant, the vision, objectives, and performance indicators of this chapter align with the NASWD.

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| Box 5.1 Objectives for VET |
| The VET system, as outlined in the NASWD, aims to:   * deliver a productive and highly skilled workforce * enable all Australians to participate effectively in the labour market and contribute to Australia’s economic future * contribute to increasing the skill levels of the working age population.   The NASWD also acknowledges that the VET system has a particular aim to address the needs of individuals experiencing disadvantage or disengagement.  To achieve this, the Australian, State and Territory governments aim to create a national training system that:   * is accessible to all working age Australians |
| * meets the needs of students, by providing them with the opportunity to develop the skills and capabilities needed both for improved economic participation and participation in society * is accessible to and engages with Australian businesses and industries to develop, harness and use the skills and abilities of the workforce * meets the needs of employers, by supporting the skill needs of Australian industry and which appropriately responds to areas of future jobs growth * is centred on quality teaching and learning outcomes.   Governments aim for a national training system that meets these objectives in an equitable and efficient manner. |
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The performance indicator framework provides information on equity, effectiveness and efficiency and distinguishes the outputs and outcomes of VET services (figure 5.4).

The performance indicator framework shows which data are complete and comparable in the 2017 Report. For data that are not considered directly comparable, text includes relevant caveats and supporting commentary. Chapter 1 discusses data comparability, data completeness and information on data quality from a Report‑wide perspective. In addition to section 5.1, the Report’s Statistical context chapter (chapter 2) contains data that may assist in interpreting the performance indicators presented in this chapter.

Improvements to performance reporting for VET are ongoing and will include identifying indicators to fill gaps in reporting against key objectives, improving the comparability and completeness of data and reviewing proxy indicators to see if more direct measures can be developed.

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| Figure 5.4 VET performance indicator framework |
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## 5.3 Key performance indicator results

Different delivery contexts and locations can influence the equity, effectiveness and efficiency of VET services.

### 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). Output information is also critical for equitable, efficient and effective management of government services.

### Equity

#### Access — VET participation by target group

‘VET participation by target group’ is an indicator of governments’ objective that the national training system is provided in an equitable manner (box 5.2).

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| Box 5.2 VET participation by target group |
| ‘VET participation by target group’ is defined as the proportion of people in the population from target groups who are government‑funded participants in the VET system, compared with the participation of people from non‑target groups. For this Report, the designated equity groups are:   * Aboriginal and Torres Strait Islander people * people from remote and very remote areas * people with disability * people speaking a language other than English (LOTE) at home.   Data relate to the activities of government‑funded VET (figure 5.1).  A higher or increasing participation rate indicates high or increasing levels of access to the VET system (conversely, a lower participation rate, compared to the non‑target group, means the target group is underrepresented in VET). However, these measures need to be interpreted with care as participation rates:   * by target group (other than for remoteness) depend on obtaining accurate responses to self‑identification questions at the time of enrolment (NCVER 2016a), which may vary across jurisdictions. A large unknown (or not stated) response could mean that the participation rate for the target group is understated * are not age standardised. Participation rates for target groups with a younger age profile (such of the Aboriginal and Torres Strait Islander population) is likely to overstate the difference in participation compared to the non‑target group population * use a different data source for the numerator and denominator, which can affect comparability. |
| Data reported for this indicator are:   * not comparable within jurisdictions over time and not comparable across jurisdictions * complete for the current reporting period (subject to caveats). All required 2015 data are available for all jurisdictions. |
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###### Aboriginal and Torres Strait Islander Australians

For people aged 15–64 years the Aboriginal and Torres Strait Islander participation rate was more than twice the rate of non‑Indigenous people (16.1 per cent compared to 7.1 per cent) — a constant pattern over the last 10 years (figure 5.5). For higher qualification levels (diploma and above) the participation rate was similar for Aboriginal and Torres Strait Islander and non‑Indigenous Australians (table 5A.20).

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| Figure 5.5 Government‑funded VET participation rate, students aged 15–64 years, by Indigenous status, 2015**a** |
| |  | | --- | | Figure 5.5 Government funded VET participation rate, students aged 15–64 years, by Indigenous status, 2015  More details can be found within the text surrounding this image. | |
| a See box 5.2 and table 5A.12 for detailed definitions, footnotes and caveats |
| *Source*: NCVER (unpublished) *National VET provider collection*; table 5A.12. |
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###### People from remote and very remote areas

Of people in remote or very remote areas, 8.1 per cent participated in government‑funded VET, which is higher than the rates for people in outer regional areas (6.5 per cent), inner regional areas (6.5 per cent) and major cities (4.5 per cent). In most jurisdictions, the VET participation rate increases as remoteness increases (table 5A.14).

###### Other target populations

Due to difficulties deriving an annual estimate of the target population, data on *students with disability* and *people speaking a LOTE at home* cannot be expressed as a participation rate.

For data on the number of VET students that are *students with disability*, *people speaking a LOTE at home*, or *Aboriginal and Torres Strait Islander students* see tables 5A.15–18.

### Effectiveness

#### Access — Student participation in VET

‘Student participation in VET’ is an indicator of governments’ objective to create a national training system that is accessible to all working age Australians (box 5.3).

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| Box 5.3 Student participation in government‑funded VET |
| ‘Student participation in VET’ is defined by three measures:   * the proportion of the population aged 15–64 years participating in government‑funded VET * the proportion of the population aged 15–64 years participating in government‑funded VET at certificate level III or above * the proportion of the population aged 15–64 years participating in government‑funded VET at diploma level or above. |
| Data relate to the activities of government‑funded VET (figure 5.1).  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 or above, and in VET diploma level or above, indicate greater or increasing participation in higher skill level courses, which 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 2015 data are available for all jurisdictions providing the service. |
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Participation in government‑funded VET has decreased since it peaked in 2012. Nationally in 2015, the proportion of the population aged 15–64 years participating in government‑funded VET at:

* all AQF levels was 7.6 per cent (figure 5.6)
* Certificate III level or above was 5.5 per cent (table 5A.19)
* diploma level or above was 0.9 per cent (table 5A.20).

Helping young people make a smooth transition from school to the workplace or further study is an important role for the VET sector (ESA 2014). Nationally in 2015, for people aged 18–24 years in government‑funded VET: 17.0 per cent participated in all VET programs; 13.9 per cent participated at Certificate level III or above; and, 2.2 per cent participated at diploma level or above (tables 5A.12, 19‑20).

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| Figure 5.6 VET participation rate, students aged 15–64 years, 2006 to 2015**a** |
| |  | | --- | | Figure 5.6 VET participation rate, students aged 15–64 years, 2006 to 2015  More details can be found within the text surrounding this image. | |
| a See box 5.3 and table 5A.11 for detailed definitions, footnotes and caveats |
| *Source*: NCVER (unpublished) *National VET provider collection*; ABS (2015), *Australian Demographic Statistics, June 2015*, Cat. no. 3101.0; table 5A.11. |
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#### Appropriateness — Students who achieve their main reason for training

‘Students who achieve their main reason for training’ is an indicator of governments’ objective to create a national training system that meets the needs of students, by providing them with the opportunity to develop the skills and capabilities needed both for improved economic participation and participation in society (box 5.4).

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| Box 5.4 Students who achieve their main reason for training |
| ‘Students who achieve their main reason for training’ is defined as the proportion of government‑funded VET graduates who indicated on the Student Outcomes Survey (table 5A.87) that they achieved or partly achieved their main reason for doing the course.  A high or increasing proportion of students who achieve their main reason for training is desirable. Achievement by target groups can also indicate greater equity for these groups.  Data relate to the activities of government‑funded VET (figure 5.1).  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 2015 data are available for all jurisdictions. |
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Nationally in 2015, 79.8 per cent of government‑funded VET graduates indicated that their course helped or partly helped them achieve their main reason for doing the course — a decrease of 5.3 percentage points from 2011 (figure 5.7).

Nationally in 2015, of the target groups, graduates from remote and very remote areas were the most likely to indicate that the course helped or partly helped them achieve their main reason for doing the course (88.0 per cent), while graduates reporting disability were the least likely to do so (70.3 per cent) (tables 5A.24−25). Amongst Aboriginal and Torres Strait Islander graduates, 80.1 per cent indicated that the course helped or partly helped them achieve their main reason for doing the course, which was similar to non‑Indigenous students (tables 5A.22−23).

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| Figure 5.7 Proportion of VET graduates who achieved their main reason for doing the course, 2011 to 2015**a, b** |
| |  | | --- | | Figure 5.7 Proportion of VET graduates who achieved their main reason for doing the course, 2011 to 2015  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 and are for the combined category: helped achieve or partly helped achieve main reason. b See box 5.4 and table 5A.21 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.21. |
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#### Appropriateness — Employer engagement with VET

‘Employer engagement with VET’ is an indicator of governments’ objective to create a national training system that is accessible to, and engages with, Australian businesses and industries to develop, harness and use the skills and abilities of the workforce (box 5.5).

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| Box 5.5 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.   Data are collected from a biennial national survey of employers with at least one employee, to determine their training experiences in the 12 months prior to the survey (NCVER 2015b). |
| Data relate to total VET activity (figure 5.1).  A high or increasing proportion of employers engaged with VET is desirable.  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 2015 data are available for all jurisdictions providing the service. |
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Nationally in 2015, of employers:

* 24.3 per cent had employees undertaking apprenticeships or traineeships, a decrease of 6.0 percentage points from 2007
* 20.6 per cent had arranged or provided nationally recognised training
* 36.6 per cent reported they employed people with a formal vocational qualification as a job requirement, similar to 2007 (figure 5.8).

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| Figure 5.8 Proportion of employers who are engaged with aspects of the VET system**a, b** |
| |  | | --- | | Figure 5.8 Proportion of employers who are engaged with aspects of the VET system  Apprenticeships/traineeships  More details can be found within the text surrounding this image.Figure 5.8 Proportion of employers who are engaged with aspects of the VET system  Nationally recognised training  More details can be found within the text surrounding this image.  Figure 5.8 Proportion of employers who are engaged with aspects of the VET system  VET qualifications as job requirement  More details can be found within the text surrounding this image.  Legend to Figure 5.8 Proportion of employers who are engaged with aspects of the VET system  Green: 2007, 2009, 2011 and 2013 Blue: 2015  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 See box 5.5 and table 5A.33 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Survey of Employers’ Use and Views of the VET System*; table 5A.33. |
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#### Quality — Student satisfaction with quality of training

‘Student satisfaction with quality of training’ is an indicator of governments’ objective to create a national training system that is centred on quality teaching and learning outcomes (box 5.6).

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| Box 5.6 Student satisfaction with quality of training |
| ‘Student satisfaction with quality of training’ is defined as the proportion of government‑funded VET graduates who indicated in the Student Outcomes Survey (table 5A.87) that they were satisfied or very satisfied with their VET training program.  Data relate to government‑funded VET activity only (figure 5.1).  A high or increasing proportion of perceived satisfaction is desirable. Satisfaction with VET by target groups can also indicate the equity of outputs for these groups.  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 2015 data are available for all jurisdictions providing the service. |
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Nationally in 2015, 86.8 per cent of all government‑funded VET graduates indicated that they were satisfied with the quality of their completed training (table 5A.27). Results were higher for students seeking personal development outcomes or further study outcomes (89.2 per cent and 88.4 per cent respectively) than for graduates seeking employment‑related outcomes (86.4 per cent) (figure 5.9).

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| Figure 5.9 Proportion of VET graduates who were satisfied with the quality of their completed course, by purpose of study, 2015**a, b** |
| |  | | --- | | Figure 5.9 Proportion of VET graduates who were satisfied with the quality of their completed course, by purpose of study, 2015  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 See box 5.6 and table 5A.27 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.27. |
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Across target groups in 2015, the satisfaction rates were higher for those graduates from remote and very remote areas (89.8 per cent) (table 5A.30) and Aboriginal and Torres Strait Islander graduates (90.4 per cent) (table 5A.28) than for all students. Satisfaction among graduates with disability (table 5A.31) and for graduates speaking a LOTE at home (table 5A.32) were not significantly different to all students.

#### Quality — Qualification completion rate

‘Qualification completion rate’ is an indicator of governments’ objective to create a national training system that is centred on quality teaching and learning outcomes (box 5.7).

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| Box 5.7 Estimated qualification completion rate |
| ‘Estimated qualification completion rate’ is defined by two measures:   * *Program completion rate* — the proportion of VET enrolments commencing in the year of interest that are estimated to be completed. An enrolmentis the registration of a student at an RTO for the purpose of undertaking a subject or unit of competency.   Data are for government‑funded VET activity *plus* the domestic and international fee‑for‑service activity of government providers (TAFEs and other government providers) (figure 5.1). |
| * *Subject load pass rate* — the ratio of hours attributed to students who gain competencies/passed assessment in an assessable subject or unit of competency to all students who were assessed and either passed, failed or withdrew. It includes competencies achieved/units passed through recognition of prior learning.   Data are presented both for government‑funded VET and for government‑funded VET *plus* fee‑for‑service activity of government providers (figure 5.1).  Data for both measures are restricted to enrolments in AQF programs — certificate level I and above.  Higher or increasing proportions of students who commenced and completed their VET qualification or passed subjects indicate higher or increasing VET training quality (Australian Government 2016).  Estimated qualification completion rates should be interpreted with caution due to difficulties in tracking students and the qualifications they enrol in across different years. See footnotes to table 5A.35 for details.  Not all students intend to complete an entire qualification but may only want to complete specific modules or units of competency. The reporting of these students varies across states and territories. In some jurisdictions, students wanting to only complete a specific component of a qualification are counted as enrolled in that qualification for the data collection, whereas in other jurisdictions they are not.  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 2014 and 2015 data are available for all jurisdictions. |
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Nationally, of all government‑funded students plus fee‑for‑service students of government providers who commenced in 2014:

* an estimated 38.0 per cent of programs commenced were completed, an increase of 4.1 percentage points from students who commenced in 2010
* an estimated 83.0 per cent of students’ hours were attributed to students who passed assessment, an increase of 1.8 percentage points from students who commenced in 2010 (figure 5.10).

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| Figure 5.10 Estimated program completion and subject load pass rates, AQF Certificate level I or above, commencing 2010–2014**a** |
| |  | | --- | | Figure 5.10 Estimated program completion and subject load pass rates, AQF Certificate level I or above, commencing 2010–2014  Estimated program completion rate  More details can be found within the text surrounding this image.  Figure 5.10 Estimated program completion and subject load pass rates, AQF Certificate level I or above, commencing 2010–2014  Subject load pass rate  More details can be found within the text surrounding this image. | |
| a See box 5.7 and table 5A.35 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (2016) *Australian vocational education and training statistics: the likelihood of completing a VET qualification,* Adelaide; table 5A.35. |
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Nationally in 2015, the subject load pass rate for all government‑funded students was 83.0 per cent, which was higher than for: graduates with disability (74.4 per cent); graduates speaking LOTE at home (77.7 per cent); and, Aboriginal and Torres Strait Islander graduates (76.7 per cent) (tables 5A.36 and 5A.38−39). The Aboriginal and Torres Strait Islander subject load pass rate has increased 3.5 percentage points since 2011 and 10.7 percentage points since 2006 (table 5A.36).

By contrast, nationally in 2015, the subject load pass rate for students from remote and very remote areas was 86.2 per cent, which has been higher than for students in major cities and inner regional areas since 2012 (table 5A.37).

#### Quality — Employer satisfaction with VET

‘Employer satisfaction with VET’ is an indicator of governments’ objective to create a national training system that meets the needs of employers, by supporting the skill needs of Australian industry and which appropriately responds to areas of future jobs growth (box 5.8).

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| Box 5.8 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.  Data are collected from a biennial national survey and represent the responses of employers with at least one employee and their training experiences in the 12 months prior to the survey (NCVER 2015b).  Data relate to total VET activity (figure 5.1).  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 2015 data are available for all jurisdictions providing the service. |
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Nationally in 2015:

* 81.7 per cent of employers engaged with apprenticeships or traineeships were satisfied with VET in providing employees with skills required for the job
* 84.0 per cent of employers who arranged or provided nationally recognised training to employees were satisfied that the training meets the skill needs required for the job
* 76.2 per cent of employers who had employees with a formal vocational qualification that was a requirement of their job were satisfied with these requirements as a way of meeting their skill needs for the job (figure 5.11).

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| Figure 5.11 Employers who are engaged with an aspect of the total VET system and who are satisfied with VET as a way of meeting their skill needs**a, b** |
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| a Error bars represent the 95 per cent confidence interval associated with each point estimate. b See box 5.8 and table 5A.33 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Survey of Employers’ Use and Views of the VET System*; table 5A.33. |
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### Efficiency

A proxy indicator of efficiency is the level of government inputs per unit of output (unit cost). The indicator of unit cost reported is ‘recurrent expenditure per annual hour’. The user cost of capital is included in estimates of recurrent expenditure, however expenditure estimates including and excluding user cost of capital are available separately (box 5.9).

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| Box 5.9 Comparability of cost estimates |
| Government recurrent expenditure is calculated using data prepared by State and Territory governments under the Australian Vocational Education and Training Management Information Statistical Standard for VET financial data. Data are prepared annually on an accrual basis and are audited.  Government recurrent expenditure is deemed as being equivalent to the recurrent funds received by State and Territory government departments responsible for VET, including their government‑owned RTOs (net of payroll tax) provided by the Australian Government and State and Territory governments and includes:   * Commonwealth National Agreement funding; State recurrent funding; Commonwealth administered program funding; and, Assumption of liabilities (such as superannuation contributions incurred by central agencies on behalf of RTOs). * fee‑for‑service payments from government agencies * user cost of capital (estimated as 8 per cent of the value of total physical non‑current assets owned by government RTOs).   Payroll tax payments by government‑owned RTOs are deducted from the total to ensure a consistent treatment across jurisdictions (chapter 1).  Government recurrent expenditure for VET may be affected by the movement of TAFE institutes between government and non‑government sectors. User cost of capital should be interpreted carefully. 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 basis for the 8 per cent capital charge is discussed in chapter 1.  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) (see section 5.4).  Expenditure data for years prior to 2015 are adjusted to real dollars (2015 dollars) using the gross domestic product (GDP) chain price index (table 5A.85).  Annual hours are adjusted for invalid enrolment rates based on formal advice of National Centre for Vocational Education Research (NCVER) auditors. Invalid enrolments are those student enrolments reported in the national collection as participating in a subject/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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#### Inputs per output — Government recurrent expenditure per annual hour

‘Government recurrent expenditure per annual hour’ is an indicator of governments’ objective that the national training system is provided in an efficient manner (box 5.10).

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| Box 5.10 Government recurrent expenditure per annual hour |
| ‘Government recurrent expenditure per annual hour’ is defined as government recurrent expenditure (including user cost of capital) divided by government‑funded hours of delivery (see box 5.9).  Data are for government‑funded VET *plus* fee‑for‑service activity of government providers (figure 5.1).  Lower or decreasing unit costs can indicate efficient delivery of VET services.  Government recurrent expenditure per annual hour should be interpreted carefully because low or decreasing unit costs do not necessarily reflect improved efficiency. 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 sociodemographic composition, administrative scale, and dispersion and scale of service delivery * VET policies and practices, including the level of fees and charges paid by students.   Data reported for this measure are:   * comparable (subject to caveats) across jurisdictions and over time * complete for the current reporting period (subject to caveats). All required 2015 data are available for all jurisdictions. |
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Since 2006, government real recurrent VET expenditure has increased 8.4 per cent (table 5A.42), while the number of government‑funded hours of delivery (course mix adjusted) has increased 26.8 per cent (table 5A.40), resulting in a decrease in the recurrent expenditure per annual hour from $18.89 in 2006 to $16.16 in 2015 (figure 5.12).

Nationally, the user cost of capital per annual hour in 2015 was $2.17. The largest components of user cost of capital per annual hour were building costs ($1.59) followed by land costs ($0.46) (table 5A.41).

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| Figure 5.12 Government real recurrent expenditure per annual hour (2015 dollars)**a** |
| |  | | --- | | Figure 5.12 Government real recurrent expenditure per annual hour (2015 dollars)  More details can be found within the text surrounding this image. | |
| a See box 5.10 and table 5A.43 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *National financial collection* and *National VET provider collection*; table 5A.43. |
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### Outcomes

Outcomes are the impact of services on the status of an individual or group (see chapter 1).

#### Student employment and further study outcomes

‘Student employment and further study outcomes’ is an indicator of governments’ objective that the VET system aims to enable all Australians to participate effectively in the labour market and contribute to Australia’s economic future including addressing the needs of individuals experiencing disadvantage or disengagement (box 5.11).

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| Box 5.11 Student employment and further study outcomes |
| ‘Student employment and further study outcomes’ is defined by four measures. The proportion of government‑funded VET graduates who indicated in the Student Outcomes Survey (table 5A.87) that they:   * were employed and/or continued on to further study after completing their course, reported by VET target groups * were employed after completing their course, and were unemployed before the course * had improved their employment circumstances after completing their course, reported by VET target groups and by level of qualification. ‘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 * 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 relate to the activities of government‑funded VET (figure 5.1).  Holding other factors constant, higher or increasing proportions indicate positive employment or further study outcomes after training.  Comparison of labour market outcomes should 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 2015 data are available for all jurisdictions. |
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##### Graduates who were employed and/or continued on to further study

Nationally in 2015, 84.6 per cent of government‑funded VET graduates surveyed were either in employment and/or pursuing further study after completing a VET course in 2014 (figure 5.13). This proportion was lower for target groups (with the exception of those in remote or very remote areas (89.1 per cent). The majority of this difference for target groups is in lower proportions in employment after training (tables 5A.44–49.)

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| Figure 5.13 Proportion of VET graduates in employment and/or who continued on to further study in 2015 after completing a course in 2014**a, b** |
| |  | | --- | | Figure 5.13 Proportion of VET graduates in employment and/or who continued on to further study in 2015 after completing a course in 2014  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 See box 5.11 and table 5A.44 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.44. |
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##### Graduates employed after completing their course who were unemployed before the course

Nationally, of the government‑funded VET graduates surveyed in 2015 who were unemployed before their course 44.3 per cent indicated they were employed after the course, a decrease from 59.1 per cent in 2006 (figure 5.14).

Data by Indigenous status are available in tables 5A.51−52. Data on the labour force status of graduates who were employed prior to the course are available in table 5A.50.

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| Figure 5.14 Proportion of VET graduates who were unemployed prior to commencing and were employed after completing a course**a, b** |
| |  | | --- | | Figure 5.14 Proportion of VET graduates who were unemployed prior to commencing 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. b See box 5.11 and table 5A.50 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.50. |
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##### Graduates who improved their employment circumstances after completing their course

Nationally in 2015, 58.2 per cent of all government‑funded VET graduates indicated they had improved their employment circumstances after completing their course — a decrease from 66.8 per cent in 2006 (table 5A.57 and figure 5.15). Proportions were lower for those completing a certificate I/II course (40.0 per cent), compared to those completing higher level courses (60.6 per cent for certificate level III/IV graduates and 62.2 per cent for diploma or above graduates) (table 5A.64). Data for graduates aged 20–64 years are available in table 5A.65.

Similar to the results for the measure on employment and further study after training, graduates from target groups reported lower proportions compared to those outside the targets group except for students in remote/very remote areas (tables 5A.58–62). Nationally over the last five years, a higher proportion of VET graduates from remote and very remote locations reported that they improved their employment circumstances after completing their training, in comparison to VET graduates from major cities, inner regional and outer regional locations (table 5A.62).

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| Figure 5.15 Proportion of government‑funded VET graduates who improved their employment circumstances after training**a, b** |
| |  | | --- | | Figure 5.15 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. b See box 5.11 and table 5A.57 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *Student Outcomes Survey*; table 5A.57. |
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##### 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 2015, of all VET graduates who were employed after completing their course and undertook their course for employment‑related reasons, 76.6 per cent indicated they had gained at least one job‑related benefit (a student could report more than one benefit), which included:

* obtaining a job (32.3 per cent)
* achieving a promotion or an increased status at work (27.5 per cent)
* achieving an increase in earnings (21.3 per cent)
* changing jobs or obtaining a new job (16.4 per cent)
* gaining the ability to start their own business (7.5 per cent) (table 5A.55).

Compared to all graduates, a higher proportion of Aboriginal and Torres Strait Islander graduates (83.1 per cent) indicated that they had received at least one job related benefit (table 5A.56).

#### Student completions and qualifications

‘Student completions and qualifications’ is an indicator of governments’ objective that the VET system contributes to increasing the skill levels of the working age population, including addressing the needs of individuals experiencing disadvantage or disengagement (box 5.12).

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| Box 5.12 VET student completions and qualifications |
| ‘VET completions and qualifications’ is defined by three measures:   * *Qualifications completed* — by working age VET students, by course level — defined as the number of qualifications achieved/passed each year by students of working age. Data are presented: per person in the population (measured by estimated resident population in each jurisdiction); and as changes over time.   Qualifications completed data are ‘preliminary’ for 2015 and ‘final’ for earlier years.   * *Units of competency and modules completed* — defined as the sum of the number of units of competency achieved/passed each year by VET students and the number of modules (outside training packages) achieved/passed each year by VET students. * *Qualification equivalents* — 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 (see section 5.4 for more detail).   Data for qualifications completed relate to government‑funded VET, *plus* the fee for service activity of Government VET providers. Data for units of competency and modules completed and qualification equivalents relate to government‑funded VET *only* (figure 5.1).  Higher or increasing VET completions and qualifications increases the national pool of skilled people in Australia.  Data reported for these measures are:   * comparable (subject to caveats) over time and across jurisdictions (except for units of competency and modules completed) * complete for the current reporting period (subject to caveats). All required 2015 data are available for all jurisdictions. |
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##### VET completions and qualifications — qualifications completed

Nationally in 2015, there were around 479 700 qualifications completed by VET students, of which, students aged 15–64 years completed approximately 474 200 qualifications — equivalent to 30.1 qualifications per 1000 people aged 15–64 years in the population (figure 5.16 and tables 5A.69 and 5A.73).

Of qualifications completed by all students, the majority were at AQF Certificate level III or IV (63.8 per cent), followed by AQF Certificate level II or lower (23.0 per cent) and AQF Diploma level or above (13.2 per cent) (table 5A.69).

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| Figure 5.16 Qualifications completed by students aged 15–64 years, per 1000 people aged 15–64 years**a** |
| |  | | --- | | Figure 5.16 Qualifications completed by students aged 15–64 years, per 1000 people aged 15–64 years  More details can be found within the text surrounding this image. | |
| a See box 5.12 and table 5A.73 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *National VET provider collection*; table 5A.73. |
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Nationally, the number of qualification completions for all students peaked in 2012 (having almost doubled from 2006) and has since declined, with a 16.9 per cent decrease from 2014 to 2015 (figure 5.17). A similar pattern observed for all target groups except Aboriginal and Torres Strait Islander graduates (data only available from 2011 onwards) (tables 5A.66–68).

Nationally, Aboriginal and Torres Strait Islander students completed around 21 300 VET qualifications in 2015 an increase of 3.9 per cent from 2012 (table 5A.70). Aboriginal and Torres Strait Islander students aged 15–64 years gained 46.5 qualifications per 1000 Aboriginal and Torres Strait Islander people aged 15–64 years compared to 28.4 qualifications per 1000 non‑Indigenous people (table 5A.73).

Qualifications completed for students aged 18–24 years and 20–64 years, by Indigenous status are available in tables 5A.71−72.

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| Figure 5.17 Qualifications completed, percentage difference from 2006, all students**a** |
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| a See box 5.12 and table 5A.69 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *National VET provider collection*; table 5A.69. |
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##### VET completions and qualifications — units of competency and modules completed

Similar to qualification completions, the number of units of competency and modules completed peaked in 2012 (data only available from 2011 for this measure). Nationally in 2015, VET students completed 8.4 million units of competency and modules, a decrease of 22.6 per cent from 2012 (table 5A.75).

For students from target groups, the number of units of competency and modules completed increased annually until 2014 (2013 for remote and very remote students) before decreasing in 2015 (tables 5A.75–78).

##### VET completions and qualifications — qualification equivalents

Nationally in 2015, VET students undertook training equivalents for around 504 700 VET qualifications. Following a peak in 2012, qualification equivalents have decreased by 18.9 per cent — an average annual decline of 6.7 per cent (table 5A.74). Nationally since 2012, the largest decrease was at AQF certificate level I/II (30.7 per cent decrease) followed by AQF certificate level III/IV (14.7 per cent decrease) (table 5A.74).

In contrast, nationally between 2012 and 2015, there was a 3.1 per cent decrease in the number of qualification equivalents obtained by Aboriginal and Torres Strait Islander students, with proportional increases in qualification equivalents at AQF Certificate level III/IV and AQF Diploma and above (14.3 per cent and 6.2 per cent, respectively) and a 18.4 per cent decrease in qualification equivalents at AQF Certificate I/II (table 5A.74).

#### Students who improved education status

‘Students who improved education status’ is an indicator of governments’ objective that the VET system contributes to increasing the skill levels of the working age population, including addressing the needs of individuals experiencing disadvantage or disengagement (box 5.13).

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| Box 5.13 Students who improved education status |
| ‘Students who improved education status’ is defined as the number of VET qualifications completed at a higher education level than their previous highest education level achieved (based on AQF), divided by the total number of VET course completions.  Data relate to the activities of government‑funded VET (figure 5.1).  Achievement by VET target groups can also indicate the equity of outcomes for these groups.  Higher or increasing proportions of students with improved education status after training indicate that the skill levels of the working age population are increasing.  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 2015 data are available for all jurisdictions providing the service. |
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Of all VET graduates that completed an AQF qualification nationally in 2015, 67.5 per cent did so with a higher qualification than their previous highest AQF qualification (an increase from 60.5 per cent in 2011) (figure 5.18).

Across jurisdictions in 2015, a greater proportion of Aboriginal and Torres Strait Islander VET graduates (71.0 per cent), compared to non‑Indigenous graduates (68.6 per cent), improved their education/training status after training (table 5A.79). The proportion was lower for graduates from remote/very remote areas (66.6 per cent) (table 5A.81). For graduates completing an AQF Certificate III or above the proportion was 70.9 per cent (table 5A.83).

Tables 5A.80, 5A.82 and 5A.84 provide additional information on completions for students aged 20–64 years.

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| Figure 5.18 Course completions where qualifications completed resulted in improved education/training status, VET graduates**a** |
| |  | | --- | | Figure 5.18 Course completions where qualifications completed resulted in improved education/training status, VET graduates  More details can be found within the text surrounding this image. | |
| a See box 5.13 and table 5A.79 for detailed definitions, footnotes and caveats. |
| *Source*: NCVER (unpublished) *National VET provider collection*; table 5A.79. |
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These results should be considered in conjunction with data on ‘qualification completed at a higher qualification level, as a proportion of all enrolments’ (tables 5A.79–84), which incorporate students that commenced study but did not complete, and therefore did not meet the measure of completing at a higher qualification level.[[2]](#footnote-2)

#### Skill profile

‘Skill profile’ is an indicator of governments’ objective to provide a VET system that delivers a productive and highly skilled workforce (box 5.14).

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| Box 5.14 Skill profile |
| ‘Skill profile’ is broadly defined as measures showing whether the supply of skills matches industry/economy wide demands for a skilled workforce. A broad concept of skill profile encompasses a range of issues such as skills shortages, skills mismatches, quality gaps, skill adaptability, skills utilisation, and over skilling.  This indicator has been identified for development and reporting in future. |
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## 5.4 Definitions of key terms

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| **Adult and community education providers** | Organisations that deliver community‑based adult education and training intended principally, 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. |
| **Australian Qualifications Framework (AQF)** | The national policy for regulated qualifications in Australian education and training. It incorporates the qualifications from each education and training sector into a single comprehensive national qualifications framework. The AQF was introduced in 1995 to underpin the national system of qualifications, encompassing higher education, VET and schools. |
| **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 include 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 a formal vocational qualification as a requirement of their job. |
| **Entitlement funding** | Entitlement funding models have been progressively introduced across jurisdictions from mid‑2009, although each State or Territory’s entitlement funding system has its own characteristics. Entitlement funding programs consist of two key features:  Student entitlement to VET training — They provide a guaranteed government‑subsidised training place for working age residents to obtain qualifications. Restrictions on the entitlement schemes vary across jurisdictions. Restrictions include: caps on the number of places that may be filled in a year; financial caps on the total level of funding; levels of qualification people have an entitlement to; and whether it is a person’s ‘initial’ qualification.  Demand driven VET training — Government subsidies are contestable and are allocated to the RTO (government or private) of the students’ choice. Governments may place some limits on student choice, by restricting the number of RTOs that offer entitlement funding places. |
| **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** | 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. |
| **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). |
| **Group Training Organisations** | Group Training Organisations recruit potential or existing Australian Apprentices under an Apprenticeship/Traineeship Training Contract and place them with ‘host’ employers while they undertake their training |
| **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 recognition of prior learning divided by the total competency achieved/passed, recognition of prior learning, competency not achieved/failed and withdrawn. |
| **Module** | A unit of training in which a student can enrol and be assessed. |
| **Multi‑sector training providers** | Multi‑sector training providers that offer both higher education and VET courses. |
| **Private provider** | A commercial organisation that provides training. |
| **Qualification Equivalents** | Qualification Equivalents is a measure of the quantum of training relative to the effort required to fully complete a VET qualification.  It expresses skill outputs in terms of equivalent qualifications within each AQF level and field of education. They 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 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 expenditure/ funding/assets** | 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** | Recognition of prior learning is an assessment process through which students may gain formal recognition for skills and knowledge acquired through previous training, work or life experience. recognition of prior learning may be used to grant status or credit in a subject or module. It can lead to a full qualification in the VET sector. |
| **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 ASQA, the Victorian Registration and Qualifications Authority (Victoria) or the Training Accreditation Council (WA) to deliver training and/or conduct assessment and issue nationally recognised qualifications in accordance with the AQF.  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 Accessibility and Remoteness Index for Australia (extended version) (ARIA+), which is published as a 1 kilometre grid or matrix that covers the whole of Australia. The Australian Bureau of Statistics calculated the arithmetic mean ARIA+ values for each Census Collection Districts that formed the base level of the Remoteness Structure. |
| **TAFE** | Technical and further education colleges and institutes, which are the primary providers of government‑funded VET. |
| **Training packages** | A training package is a nationally endorsed, integrated package consisting of: units of competency, assessment requirements, AQF qualifications and credit arrangements, and one or more quality assured companion volumes. The optional companion volumes can include support materials such as learning strategies, assessment resources or professional development materials for trainers.  Training packages specify the skills and knowledge required to perform effectively in the workplace. They are developed in consultation with industry to meet the training needs of an industry or group of industries |
| **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. |
| **VET FEE‑HELP** | The Australian Government administers the Higher Education Loan Programme (HELP) to assist students with the cost of their tuition. As an extension of the higher education FEE‑HELP arrangements, VET FEE‑HELP is an income contingent loan scheme for students undertaking certain VET courses of study (diploma, advanced diploma, graduate diploma and graduate certificate courses) with an approved VET provider. It was first introduced in 2009.  A trial to extend VET FEE‑HELP income contingent loans to certain subsidised certificate IV qualifications commenced on 13 January 2014 and will continue until 31 December 2016. |
| **VET participation** | VET student participation data presented in this Report refer to VET students who were funded by government expenditure and were engaged in training delivered by an RTO. 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 students, delivery undertaken at overseas campuses of Australian VET institutions, and credit transfer are 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 program** | A course or module offered by a training organisation in which students may enrol to develop 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’. |

## 5.5 References

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1. Some data are presented for a different scope — the scope for each indicator is described in table footnotes and indicator interpretation boxes. [↑](#footnote-ref-1)
2. Care needs to be taken when interpreting changes over time in the proportion of qualifications completed at a higher qualification level, as a proportion of all enrolments. Due to the time lag between course enrolment (the denominator) and qualification completion (the numerator), this proportion may be affected by relatively large changes in enrolments year to year. [↑](#footnote-ref-2)