



# TAFE Works

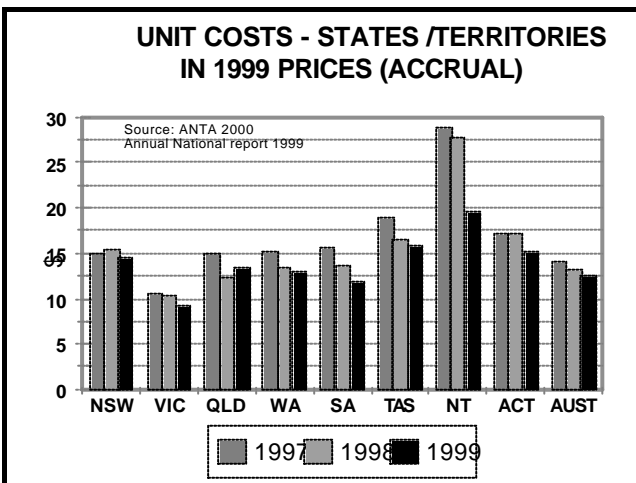
## ANNUAL VET PERFORMANCE REPORT

ANTA's annual national report on VET performance in 1999 shows that there has been a 9.9% fall in the dollars spent per Annual Hours Curriculum across the country since 1997. "Efficiency improvements" described in these terms fail to take the impact on quality or effectiveness into account. At the same time participation rates are increasing, but so is the level of unmet demand.

### Falling unit costs

Across Australia, the cost per adjusted AHC has fallen from \$13.97 in 1997 to \$12.59 in 1999, in 1999 price terms. This is an overall cumulative decline of 9.9% per AHC in real terms.

- C improved management systems
- C expansion of alternative delivery modes
- C improved planning, quality improvement and resource allocation models.



While there have been some fluctuations, all states and territories have reduced their unit costs since 1997 - or, as ANTA reports it, have 'improved their level of efficiency'.

ANTA reports that many of the factors cited by the states and territories as their 'growth through efficiencies' have contributed to this trend.

These include:

- C increased contestability leading to price reductions

The reality is that TAFEs have been under enormous financial pressure as a result of growth through efficiencies and other cost-reducing measures. Since 1997 there has been an increase of 166,000 student places, yet:

- C Employee costs have fallen from \$2456.9m to \$2397.7m, or from 66% to 64.8% of total expenditure (less depreciation)
- C Expenditure on student services has fallen from \$164.7m to \$137.7m, or from 4.3% to 3.6% of total expenditure.

Small wonder that report after report is raising concerns about quality and effectiveness.

### Participation rates

There were 1.65 million students in 1999, of whom 1.2m were enrolled in TAFE and other government providers. This is an increase of 111,900 students (7.3%) since 1998, which in turn was 76,600 (5.3%) more than in 1997. Estimates of future growth vary from between 2.8% and 5.7% per year.

The proportion of 15 to 64 year olds Australians

participating in publicly funded VET has increased from 10% in 1997 to 11.4% in 1999.

While the proportion of students enrolled in TAFE and other government providers has fallen from 79% to 74.8%, this has remained much the same since 1998.

The 2000 ANTA report suggests that this may indicate 'a degree of stabilisation in the training market after a period of substantial growth'.

### **Unmet demand**

In 1999, there were 92,300 Australians unable to gain a place in post-school education and training. Of these, 58,999 wanted to do vocational education and training, which is equivalent to 3.6% of total VET enrolments in 1999.

Unmet demand for TAFE has increased by 30%, from 35,200 in 1998 to 45,800 in 1999. Unmet demand in other vocational education and training has increased by 1.6%, from 12,900 to 13,100.

The national TAFE system does not have the resources to meet this demand.

Meantime, the participation and attainment for 19 and 22 year olds is improving but on current trends, the Finn targets for 2001 will not be met.

### **Employer views**

A growing proportion of employers (69%) see the VET system as providing graduates with skills appropriate to employers' needs. 74% of employers say that training pays for itself through increased worker productivity.

Employers of recent graduates were asked their views on course delivery and graduate skills. The factor most regarded as extremely or very important by employers was teacher ability (88%). This is not a new finding, but very important in the context of the review of national standards and the Australian Recognition Framework.

Other important factors were teachers' industry experience (84%), graduates' ability to work and cope with setbacks without supervision (85%) and their work ethic (83%).

### **Student outcomes**

In 1999, 79% of graduates had undertaken a TAFE course for vocational or work reasons, with 27% doing so to get a job or own business.

47% of graduates who were unemployed before their course were employed within six months of completion and 28% of those unemployed or not in the labour force were in further study.

Graduates said that the course had helped them to wholly or partly achieve the reason for undertaking it, 77% who had vocational reasons and 80% who had non-vocational reasons.

However, the load pass rate has declined from 75.5% in 1998 to 74.5% in 1999. The national load pass rate has been revised and measures the number of hours of assessable training that students have passed as a proportion of the total hours of assessable training.

NCVER data also makes clear that the overall withdrawal/failure rate for students has increased, to 17.3% in 1999.

### **Key references**

ANTA 2000, *Annual national report 1999 Volume 3, Vocational Education & Training Performance*

NCVER, 2000, *Statistics 1999, Financial data, Australian Vocational Education and Training*, ANTA, and earlier years

### **Further Reading**

See the TAFE page of the AEU web site at <http://www.aeufederal.org.au>

Authorised R. Hewett, AEU Federal TAFE Secretary