

*This issue highlights CEET's recently published state-of-the-art review: **The Economics of Vocational Education and Training: CEET's Stocktake.***

*This issue also summarises several recent CEET reports on the VET and higher education sectors.*

*Don't forget to register for the major conferences scheduled for Melbourne in October:*

- **Linking Economics and Learning: VET for Innovation.** CEET National Conference, October 29
- **Understanding Youth Pathways: What Does the Research Tell Us?** ACER Annual Research Conference, October 15-16

*Details on each conference are provided in this issue.*

*The CEET SHEET is part of the dissemination supported by ANTA's funding of CEET as a Key VET Research Centre. We welcome feedback on our work and suggestions about future research priorities.*

**Gerald Burke**  
*Executive Director*

## THE ECONOMICS OF VOCATIONAL EDUCATION AND TRAINING: CEET's STOCKTAKE

The past 10 years have seen an intensification of interest in the role of education and training in helping people find jobs and stimulating national economic development. However, there is much uncertainty about the likely pay-off from any additional investments in education and training or from any shift in the balance of activities. This review was designed, among other things, to provide a basis for addressing these significant questions.

Economists are interested in studying VET not only because of its economic objectives, but also because it is a significant area of economic activity in its own right. There were 1.75 million enrolments in VET programs in 2000. In addition about 4 million employees report having completed a training course in a year. Expenditure on VET including employer expenditure on training amounts to around 2 per cent of GDP. Many thousands of people work in the formal VET sector and as trainers in the workplace. As well, it is a sector that is undergoing fundamental changes in structure and operations.

This stocktake was intended to provide an analysis of what is known about the economic benefits of VET for individuals and society, as well as drawing together key findings on the operation of VET in Australia. The review synthesises work by Australian researchers and policy analysts, including from CEET, and some relevant overseas work. The review draws on a wide body of material to address key questions concerning:

- The distinctiveness of VET in Australia
- The changing nature and patterns of employment
- The demand for VET
- The supply of VET by public and private providers
- VET in schools; VET in the ACE sector; regional issues; and the VET workforce
- Financing VET
- Access and equity
- Future research priorities

The stocktake provides a succinct, yet comprehensive, analysis of key research findings as well as the areas where data are limited, evidence is patchy, and more research is needed.

*The Economics of Vocational Education and Training in Australia: CEET's Stocktake*, by C Selby Smith, F Ferrier, D Anderson, G Burke, S Hopkins, M Long, L Maglen, J Malley, P McKenzie & C Shah. Published by NCVER Adelaide, 2001. 160 pages. \$44 plus p & h. Orders: Susan Ashford, NCVER, phone: 08 8333 8146 email: [susanash@ncver.edu.au](mailto:susanash@ncver.edu.au) The report can also be downloaded from [www.ncver.edu.au](http://www.ncver.edu.au)

## CEET

### NATIONAL CONFERENCE: **LINKING ECONOMICS AND LEARNING: VET FOR INNOVATION**

**Monday 29 October 2001**  
**Ascot House 50 Fenton Street**  
**Ascot Vale, Melbourne**

#### Speakers include:

**Jochen Reuling, BIBB, Germany**  
**Helen Praetz, RMIT University & VQA**  
**Colin Walters, DETYA**  
**Andre Lewis, ANTA**  
**Gerald Burke, Fran Ferrier, Damon Anderson**

**Registration: \$165 (inc GST, lunch, papers)**  
**Further details and a registration form are available at**  
**[www.education.monash.edu.au/centres/ceet](http://www.education.monash.edu.au/centres/ceet)**  
**or from CEET - details at end of CEET SHEET**

## PERFORMANCE-BASED FUNDING

Public funding of higher education is increasingly tied to institutional performance – whether in terms of teaching activities and student completions or research output. This review paper examines the issues surrounding performance-based funding in Australia and 10 other OECD countries. It was written by Ben Jongbloed (University of Twente in the Netherlands), who was a visiting scholar at CEET earlier this year.

In most of the countries reviewed performance-based funding is more evident in regard to research than to teaching activities. Although Australia has moved markedly towards more emphasis on performance indicators in funding university research, it is at the lower end of the countries in terms of the share of total funds allocated in this way.

The paper examines the indicators that are used in constructing performance-based funding, and the limited evidence so far available on their impact.

Ben Jongbloed, *Performance-based funding in higher education: an international survey*. CEET Working Paper No 35, April 2001. Download from CEET Papers at [www.education.monash.edu.au/centres/ceet](http://www.education.monash.edu.au/centres/ceet)

## USER CHOICE IN VET

User Choice was introduced for New Apprenticeships in 1998 following pilot projects in 1996 and 1997. This major change in VET funding was intended to make the national training system more responsive to client needs. Chris Selby Smith and Fran Ferrier have reviewed the experience with User Choice since 1998, including the results of implementation evaluations.

In broad terms the evaluation studies have been supportive of the principles and operation of User Choice. However, the implementation has generally been supported more by employers than by providers, and by private providers more than public providers.

There are some significant differences among States and Territories in the extent the Principles for User Choice endorsed by the ANTA Ministerial Council are consistently matched by practice. Areas where additional effort is required include information to support choices, simplifying administrative arrangements, quality, and continuous improvement.

Chris Selby Smith & Fran Ferrier, *User Choice: The experience since 1998*. CEET Working Paper No 36, May 2001. Download from CEET papers at [www.education.monash.edu.au/centres/ceet](http://www.education.monash.edu.au/centres/ceet)

## FUTURE JOBS AND SKILLS

CEET has prepared a guide to assist VET managers and planners look for and assess information about future jobs, and the skills and knowledge required in them. Information on labour market trends is critical for planning appropriate VET programs. The guide was commissioned by **TAFE frontiers**, the peak body supporting all RTOs within the Victorian State Training Service in flexible delivery.

The 25-page guide provides an accessible overview of:

- The nature of jobs and skills
- Factors affecting the demand for training
- Tracking trends in jobs and skills
- Criteria for assessing information
- Where to find information on future jobs and skills

Chandra Shah, John Fischer & Gerald Burke, *Information on future jobs and skills*. CEET, August 2001. The guide is available from **TAFE frontiers**, Level 1, 620 Bourke St, Melbourne 3000. Phone 03 9670 7976. Email: [info@tafefrontiers.com.au](mailto:info@tafefrontiers.com.au) The report can be downloaded from [tf-images.netspot.com.au/content/Futurejobsskills.pdf](http://tf-images.netspot.com.au/content/Futurejobsskills.pdf)

## STAFF NEWS

*Leo Maglen* recently completed a 6 week assignment in East Timor on a project funded by AusAID and managed by Illawarra Technology Corporation. Leo's role included reviewing the East Timorese economy, analysing employment patterns and skill requirements, and making recommendations for a system of TVET.

AVETRA has appointed *Fran Ferrier* as a convenor of its 2002 Annual Conference, to be held in Melbourne at the Caulfield Racecourse from 20-22 March.

### ACER

#### ANNUAL CONFERENCE

#### ***UNDERSTANDING YOUTH PATHWAYS: WHAT DOES THE RESEARCH TELL US?***

**15-16 October 2001  
Melbourne**

#### **Keynote Speakers include:**

***Richard Sweet* (OECD),  
*David Raffe* (University of Edinburgh),  
*Jan Carter* (Deakin University),  
*David Eldridge* (Salvation Army),  
*Shelagh Whittleston* (DETYA),  
plus a wide range of other invited presentations.**

**Further details available from [www.acer.edu.au](http://www.acer.edu.au)**

If you would like to be put on CEET's mailing list, contact Mrs Sandra Bosmans, Fax (03) 9905 9184, Email [sandra.bosmans@education.monash.edu.au](mailto:sandra.bosmans@education.monash.edu.au) Phone (03) 9905 9157, or write to CEET, Faculty of Education, PO Box 6, Monash University, Victoria 3800, Australia. Information is also available on CEET's Web page at [www.education.monash.edu.au/centres/ceet](http://www.education.monash.edu.au/centres/ceet)

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