



Brotherhood
of St Laurence

Working for an Australia free of poverty

This is one of a series of briefing papers produced by the Brotherhood of St Laurence Research and Policy Centre to provide an overview of the key aspects of Australia's Vocational Training and Education system, from the 1970s to early 2019.

Others in the series include: *Australia's VET sector since the mid-1970s*; *The architecture of Australia's VET sector*; *Funding regimes in Australia's VET sector*; *Emerging skills and competencies*, and *VET's response*; *The Victorian VET context*; *Apprenticeships and traineeships*.

The papers can be accessed at www.bsl.org.au

2. Participation and transitions in Australia's VET system

Key points

- **Participation is high, but is also stagnating**, with falls mainly in government-funded VET.
- Systemic, societal, sectoral and personal factors all impact on participation rates.
- Completion rates remain mainly at the lower end of the 40–60% range.
- **The focus on equity groups is now narrower**, in policy priorities and monitoring.
- The participation rate of Indigenous people is decreasing.
- The number of apprenticeships is static, and traineeships are in sharp decline.
- Learner and employer satisfaction with the system is high.

Overview

VET is the largest educational sector in Australia. Participation has risen steadily over the last twenty years but is showing signs of stagnating. Considerable growth in participation was prompted by key national agreements and state-based entitlement models which sought to increase educational attainment.³ These, along with the effect of the 2008 global financial crisis—which impacted on the availability of entry-level jobs—resulted in far more people opting for education and training. Declines in overall funding for publicly funded VET (by around 20% 2012 to 2016), in spite of population growth, have led to falls in participation rates (Burke 2018). Long-term trends show that most of the increased participation has been in higher level qualifications (Cert III and above), with declines in participation in Certs I/II. This has been attributed to funding by states and the Commonwealth that has favoured higher level qualifications (Atkinson & Stanwick 2016).

Participation, student characteristics and completion rates

Total student participation (combining government-funded *and* fee-for-service; delivered by around 4,675 RTOs)

Combined sector participation (NCVER 2019)

- 4.1 million students, a 1.5% decrease from 2017
- participation rate as a proportion of the Australian population (15–64 years) fell to 22.7% (24.1% in 2017), with participation highest among 15–19 y/o (42.9%, a fall from 2017's 46.1%)
- 2 million enrolments in nationally recognized programs, down by 5.9% from 2017
- 2.5 million enrolments in subjects, not part of nationally recognized programs, up 4.9% from 2017

Combined sector student characteristics 2018, compared with 2017 (NCVER 2019)

- 50.8% males (2,061,600; down 1.5%)

³ Particularly the National Partnership Agreement on Workforce Development, and the National Partnership Agreement on Youth Attainment and Transitions.

- 45.1% females (1,831,200; down 4.5%)
- 15–19 years: 16.2% (659,500, down 3.1%)
- 20–24 years: 15% (608,700; down 3.2%)
- 25–44 years: 42.5% (1,724,600; down .8%)
- 45–64 years: 23.1% (939,200; up 1.7%)
- 65 years and over: 1.7% (67,500; up 8.6%)
- 3.4% Indigenous (138,300; up .3%)
- 4.1% with a disability (165,100; down 2.2%)
- 14.1% from non–English speaking backgrounds (572,000, down 1%).
- 17.3% from Q1 SEIFA, most disadvantaged (700,800, down 3.1%)
- 18.3% from Q12 SEIFA, very disadvantaged (744,500, down 3.3%)

Combined sector completion rates (NCVER 2016, projected and commencing in 2016)

- 47% for all VET programs
- 48% for programs delivered by private training providers, 47% for community education providers and 43% for TAFE
- 50% for Commonwealth and state funded programs, 39% for fee-for-service programs undertaken by domestic students and 70% for fee-for-service programs undertaken by international students.

Government-funded training (by providers receiving government funds; delivered by around 1630 RTOs):

Government-funded VET participation

There are approximately 771,400 students enrolled in government-funded VET (NCVER 2018). Of these:

- 56.4% (435, 300) were attending TAFE institutes and other government providers
- 23.6% 15–19 y/o
- 21.4% 20–24 y/o.

There were increases nationally up to June 2018, with the largest in Victoria, NSW and Qld (44,600, 43,000, and 34,900 respectively)

Government-funded student characteristics (NCVER 2018)

- 50.8% males (392,000; down 3.4%)
- 49.2% females (377,600; up 0.7%)
- 23.6% 15–19 y/o (181,900; down 3.9%)
- 21.4% 20–24 y/o (165,200; down 3.8%)
- 7.0% Indigenous (53,800; up 1.3%)
- 9.4% with a disability (72,500; down 0.5%)
- 18.8% from non–English speaking backgrounds (145,100; +.9)

Government-funded student completion rates (NCVER 2016, projected and commencing in 2016)

- 49% for all government-funded VET programs
- 60% for programs undertaken by students in full-time study aged 25 years and under with no prior post-school program completion.

Apprentice and trainee decline (with caveat)

A steady decline in apprentices and trainees is evident. The latest combined enrolment of 269,720 represents a small fall from 2017, but is part of a 22% fall since 2014. Similarly, combined commencements have also declined by 26% since 2014. Combined completions have declined by 47% over the past 4 years (NCVER 2018).

Noonan (2017) cautions against the common practice of conflating apprentices and trainees. While the fall in 'non-trade' traineeships since 2012 has been severe, 'trade-based' apprenticeships are relatively stable, notwithstanding falls in some industries. The falls in the former, were due to policies that limited incentives to employers, created loopholes for employers to exploit via the traineeship mode, and cuts to the list of qualifications attracting subsidies (e.g. retail, hospitality related).

Approximately one-third of new apprentices fail to complete. Issues leading to non-completion can be linked to a given period. Young, early stage, apprentices place high importance on working conditions and relationships with supervisors and co-workers. The most important factor impacting their withdrawal is poor work conditions, bullying and unsympathetic employers and workmates.

Later stage apprentices are more likely to withdraw because of dissatisfaction with the VET component of their apprenticeship (Karmel & Mlotkowski 2010; Bednarz 2014). Many apprenticeship and traineeship positions are poorly paid, short-term, vulnerable to exploitation and not linked to large, committed or stable employers.

Equity: participation and advocacy

VET is a major destination for disadvantaged learners (see the above student characteristics for latest trends). While the NCVER collect data on a range 'equity groups', currently just three groups are identified and targeted in the system's 'performance framework': Indigenous learners, those with disabilities, those in remote communities.

Until its dissolution in 2014, the National VET Equity Advisory Council (NVEAC, advising the COAG Standing Committee on Tertiary Education, Skills and Employment) tracked data and reported on the above, as well women, CALD communities, those of low SES, and second-chance learners (incorporating early school leavers, those returning to work after prolonged absence, those reskilling after redundancy, older workers, and persons in the criminal justice system) (NVEAC 2013). It developed and reported through its VET Equity Outcomes Framework, which identified participation, achievement and transition measures. It also developed equity-informed reform agendas, such as its NVEAC Equity Blueprint 2011–16.

While we note that 'Equity/Access' features as a key category in the system's performance indicator framework (PC 2018), its categories are too limited at a time when the system attracts more and more for the disadvantaged.

The current national policy framework—Skilling Australia Fund (to which all but Vic. and WA have signed)—barely alludes to equity groups, focusing primarily on boosting apprenticeships/traineeships through a levy on employers taking on skilled migrants. It also focuses on assistance for workers who have been made redundant or displaced through restructuring and economic downturns, particularly in regional and remote areas.

On transitions

An evaluation of the National Partnership Agreement on Youth Attainment and Transitions (dandolopartners 2014) noted the rise in the participation in education (particularly school education), as well as in retention and attainment rates. However, it also stressed that transition to work for the young remained a major challenge, doubtless affected by the sharp decline in full-time work since the global financial crisis of 2008.

A recent Brotherhood of St Laurence submission (2017) on transitions from school to work highlighted the following shortcomings of, and challenges faced by, the current system:

- students have limited access to careers information until late in their schooling
- many school careers teachers lack knowledge of industries and employment opportunities
- careers teachers may have limited industry experience themselves and often look to university as a first option rather than a broader range of alternative pathways

- students are rarely provided with opportunities to experiment with different vocational options before committing to a course or career pathway
- schools often do not place a high priority on engagement with industry
- the VET system is complex, making it difficult for parents and students to navigate
- parents—a key source of information for young people—are insufficiently informed and therefore limited in their ability to provide guidance.

In its submission, the BSL called for improved vocational guidance, co-designed planning, skills and more capabilities building, and real-world opportunities.

A recent parliamentary review (HRSCEET 2018) on school to work transitions also pointed to the need for a range of reforms, including:

- more help for secondary schools to facilitate work experience and volunteer work, and to promote better work integrated learning opportunities
- improvement of career advisory programs and information, with the addition of better trained career advisers in schools
- promotion of industry engagement
- more trade training centres in schools, and better promotion of apprenticeships and traineeships
- the introduction of a range of assistance measures for young people with disabilities.

VET in schools (VETiS) and School-Based Apprentices and Trainees (SBATs)

In 2017 there were 242,100 students undertaking VETiS, with 20,000 of these being school-based apprentices and trainees (SBATs increased by 16.1% from 2016; but VETiS fell by 0.5% overall) (NCVER 2017). While such workplace integrated learning is an important bridge out of VET to work, there are concerns that VETiS and SBATs are not providing meaningful links to work, and nor are they providing a well-rounded education. Reviews show that VETiS is not highly valued by employers. There are calls for the overhaul of the VETiS regime: for simpler terminology; a clearer statement of purpose and outcomes; a focus on target industries rather than target jobs; better collaboration between schools; better alignment with the school curriculum, employers, and students; creating a school-based vocational curriculum; and a concerted effort to build confidence in the program (Clarke 2013).

Outcomes and satisfaction

Currently, stakeholders in the VET system rely on two major NCVER-administered surveys gauging the health of the sector: the National Student Outcomes Survey and the *Employers' use and views of the VET system*.

Students' views

The student survey typically reveals high levels of satisfaction: however, the survey includes only graduates and module completers (i.e. those who have completed only parts of a qualification). Excluded are those who did not reach 'completion' of any kind, and this is a limitation.

The most recent survey (of over 200,000 students) shows that satisfaction with the quality of training is high (86% graduates, and 90% for subject completers) (NCVER 2018). Other indicators show:

- 59.0% of graduates improved their employment status after training, up 2.2% from 2017.
- 85.4% of graduates were employed or continuing study, down 0.7% from 2017.
- 45.8% of subject completers improved their employment status after training, up 2.7% from 2017.
- 87.0% of subject completers were employed or continuing study, up 0.9% from 2017.

Employers' views

The NCVER conducts just over 8,000 phone interviews of employers to gauge their reliance on, and satisfaction with, the VET system (NCVER 2017). The most recent survey (2017, following 2015's) revealed:

- 54.4% of employers used the VET system
- 37.2% had jobs requiring vocational qualifications
- 23.5% had apprentices and trainees
- 22.4% used nationally recognised training (not part of an apprenticeship or traineeship).

The survey revealed the following in relation to employer satisfaction:

- 75.4% were satisfied that VET qualifications provide employees with the required skills.
- 77.5% were satisfied their apprentices/trainees gained the required skills (down 4.2% on 2015).
- 82.2% were satisfied that nationally recognised training (not part of an apprenticeship or traineeship) provided employees with the required skills (similar to 2015).

Factors influencing participation

BSL research has used two lenses in its analysis of what helps or hinders engagement in vocational education: socio-ecological and temporal (Dommers et al. 2016).

A socio-ecological lens

When focusing on the realm of the **private-proximate**, we identify challenges such as low LLN skills, low confidence and awareness of opportunities, instability, safety issues, residing in remote locations, anxiety, financial hardship and family problems.

When focusing on **provider-level** factors, we identify the prospective learners' bewilderment at the range of providers and qualifications, inadequate wellbeing and learning supports, user-unfriendly timetabling, training providers and support agencies that are at odds, intimidating learning settings, remote locales, limited choice and alienating enrolment processes.

Factors evident at **VET sector and macrosystem levels** include the ever-changing, opaque subsidy systems, the limitations of competency-based training and training packages, adult learning pedagogies misapplied to early school leavers, weak links with industry, an embattled workforce and poor regulation of standards. Also featuring are labour market instability and uncertainty, marketisation of education (public vs private), credentialism, a low regard for vocational training, and poor conditions for apprentices and trainees.

A temporal lens

Figure 1 maps the most significant factors influencing participation, using pre-enrolment, enrolment, learning and retention phases as temporal markers. This lens is useful because it reminds us that a successful experience with vocational training often depends on experiences prior to commencement (see also Lamb et al. 2018, and Ong & Circelli 2018).

Figure 1 Factors influencing VET participation, by phase of engagement

PRE-ENROLMENT	ENROLMENT	LEARNING/RETENTION
Family attitudes to/knowledge of VET		
Information from schools and providers		
	Range and availability of courses	
	Location of providers and transport options	
	Access to subsidies and funding	
	Difficulty of enrolment processes	
		Communication and commitment by staff members
		Peer dynamics and learning environments
		Skill levels and learning supports
		Work-focused and hands-on learning
		Wellbeing issues and supports

Source: (Dommers et al. 2017, p. 22)

Benefits

Benefits of vocational education accrue to students not only in the form of skills developed and an enhanced capacity to gain suitable and rewarding employment, but also in personal development and social inclusion.

Research shows a correlation between higher qualifications and reduced social exclusion (Buddelmeyer et al. 2012). It follows that the community as a whole benefits from high participation in vocational training and an effective VET system, with research also highlighting the non-financial benefits of all education (e.g. improved health, greater social equity, less crime). While this may be self-evident, mention of the value of vocational training to society in general rarely appears in sectoral policy and documentation.

Industry and 'the economy' also benefit through access to skilled and readily available labour, improved workplace culture, productivity and, for government, higher taxation revenues (Griffin 2016).

One major study calculates the financial benefits to Australia of closing the gap between 'equity groups' (i.e. early school leavers and those with poor educational attainments, Indigenous learners, those with disabilities and those of low SES backgrounds). One calculation made of benefits from changes to the educational gap between those of low SES and the general population, via VET—estimated a gain to the economy of \$3.91 bill by 2020 (Deloitte Access Economics 2011).

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