

VICTORIAN TRAINING MARKET SNAPSHOT 2017

The Victorian Government implemented Skills First on 1 January 2017. Skills First ensures Victoria's training and TAFE sector is better managed to provide high-quality training that leads learners to real jobs. This snapshot provides information on the first year of the reforms.

The number of students at TAFE and Dual Sector Universities grew by 8.1% in Victoria. This compares to a nation-wide decline of 5.8%.

National comparison



Victoria is leading the nation in TAFE Network growth in student numbers, recording the highest growth of any jurisdiction between 2016 and 2017.



Enrolments by students in key cohorts increased by 3.4% between 2016 and 2017 at TAFE Network providers

Learner Cohorts



TAFE Network providers have increased delivery to students in key cohorts. The ACE sector continues to lead in providing training to learners who face barriers to education.

Share of AQF enrolments in Government priority areas.

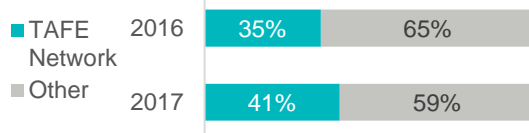
2016 46% ↑ 50% 2017

Jobs and Skills



Training is more focused on jobs and skills. The TAFE Network is increasing activity in Government priority areas including the NDIS, Family Violence and Infrastructure workforces as well as apprenticeships and High-Value Traineeships.

TAFE Network share of enrolments



TAFE Network



TAFEs are central to the training system. As a result of Skills First reforms to strengthen the position of TAFEs, market share has increased for TAFE Network providers.

77 per cent of students who left training in 2017 were satisfied with their training, up 2 percentage points compared to the 2015 cohort.

Quality Training

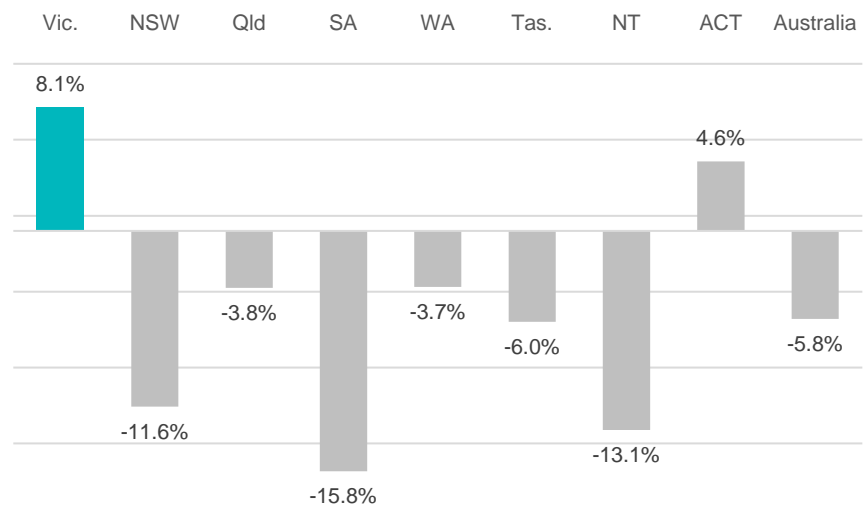


The Skills First suite of reforms are designed to deliver high quality training. Reflecting this focus, student satisfaction has increased.

NATIONAL COMPARISONS

- While training activity in Victoria has declined overall, Victoria is leading the nation in TAFE Network growth. The number of students at TAFE and Dual Sector University providers grew by 8.1 per cent in Victoria between 2016 and 2017, the highest recorded rate of any jurisdiction.
- This is a positive result and demonstrates the impact that *Skills First* is having in strengthening the position of TAFEs.
- Around 314,600 students undertook government-funded VET training in Victoria in 2017, the second-highest number of any jurisdiction.
- In 2017, 7.3 per cent of working age Victorians participated in government-funded VET. This is comparable with the national participation rate.
- Data from the Census shows that attainment of non-school qualifications is increasing in Victoria. The proportion of Victorians aged 15 or above with a Certificate level qualification grew from 15.3 per cent in 2006, to 16.4 per cent in 2011 and 16.9 per cent in 2016.

Chart 1. Change in government-funded students at TAFE institutes, Dual Sector and other government providers (2016 to 2017)



Source: NCVET VOCSTATS, Government-funded students and courses, VET Students.

Table 1. Students by state or territory and provider type, 2017

	TAFE	Dual Sector	Other Govt.	ACE	Other	Total
Victoria	112,747	32,162	-	42,389	127,327	314,628
New South Wales	261,275	-	2,615	18,607	140,626	423,114
Queensland	55,424	4,462	-	4,186	148,229	212,312
South Australia	38,096	-	-	2,269	22,561	62,930
Western Australia	71,852	344	5,337	724	33,257	111,514
Tasmania	14,590	-	-	-	13,082	27,677
Northern Territory	1,914	9,884	-	-	9,580	21,390
Australian Capital Territory	11,382	-	-	-	5,488	16,869
Australia	567,289	46,864	7,953	68,174	500,160	1,190,430

Source: NCVET VOCSTATS, Government-funded students and courses, VET Students.

Table 2. Estimated participation rate of people aged 15-64 in VET, by state and territory

	2015	2016	2017	PP change 2016-17
Victoria	9.4%	8.0%	7.3%	-0.7
New South Wales	6.4%	8.8%	8.1%	-0.7
Queensland	7.0%	6.7%	6.6%	-0.2
South Australia	7.6%	6.3%	5.6%	-0.7
Western Australia	7.4%	6.9%	6.4%	-0.4
Tasmania	8.6%	8.7%	8.4%	-0.3
Northern Territory	12.1%	12.4%	11.9%	-0.5
Australian Capital Territory	6.0%	5.7%	6.0%	0.3
Australia	7.6%	7.8%	7.2%	-0.5

Sources: Australian Bureau of Statistics (ABS), Australian Demographic Statistics, June 2017, table 59, cat.no.3101.0. NCVET VOCSTATS Government-funded students and courses. PP = percentage point change, the mathematical difference between 2017 and 2016 estimates.

HIGHER QUALITY VET SYSTEM

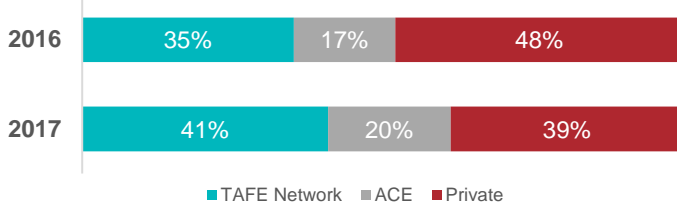
- Training activity in Victoria has declined annually since the historically high peak in 2012. This reflects subsidy changes, previous policies designed to manage expenditure through eligibility, as well as the effects of the Government's response to the 2015 Quality Review and the 2017 *Skills First* reforms.
- These two recent reforms are explicitly designed to shift the focus of government support from high-volume toward high-quality training that leads to real jobs for students and provides the skills industry needs.
- Market share is shifting towards TAFE Network and Community providers. The *Skills First* reforms recognise a distinct role for the TAFE Network in providing quality training that meets the needs of industry, students and communities.
- In addition, from 1 January 2019, Free TAFE for Priority Courses is reducing the financial barrier for students wanting to train in courses that lead to jobs in demand from Victorian employers.
- Student satisfaction with training has increased. Over three quarters of VET students (77 per cent) who left training in 2017 were satisfied with their training, up 2 percentage points compared to the 2015 cohort. Employer satisfaction with training has also improved slightly.

Table 3. Numbers of students, enrolments, commencements and providers by provider type

	Provider type	2015	2016	2017	% change 2016-17
Students	TAFE	91,204	90,226	95,808	6%
	Dual Sector	27,704	28,255	30,099	7%
	ACE	48,344	44,681	46,624	4%
	Private	210,579	157,928	119,739	-24%
	All	377,831	321,090	292,270	-9%
Enrolments	TAFE	108,024	104,013	109,005	5%
	Dual Sector	31,056	30,897	32,637	6%
	ACE	70,623	64,728	70,544	9%
	Private	253,666	183,768	134,217	-27%
	All	463,369	383,406	346,403	-10%
Commencements	TAFE	69,155	67,392	67,991	1%
	Dual Sector	20,148	20,398	21,522	6%
	ACE	64,121	58,272	64,675	11%
	Private	158,024	101,894	67,396	-34%
	All	311,448	247,956	221,584	-11%
Providers	TAFE	13	12	12	-
	Dual Sector	4	4	4	-
	ACE	275	266	259	-3%
	Private	376	354	322	-9%
	All	668	636	597	-6%

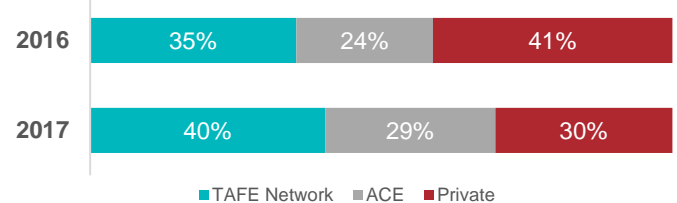
Source: DET training market data.

Chart 2. Market share of enrolments by provider type



Source: DET training market data.

Chart 3. Market share of commencements by provider type



Source: DET training market data.

Table 4. Student and employer satisfaction

	2015	2016	2017	PP change 2016-17
Share of students who achieved their main reason for training	67.2%	72.7%	73.2%	0.5
Share of students who gained improved employment status after training	44.5%	42.4%	46.2%	3.8
Share of students who are satisfied with their training	75.0%	76.5%	77.0%	0.5
Share of employers who are satisfied with their staff's training	76.5%	76.8%	77.6%	0.8

Source: DET student and employer survey. Year represents the year students left training. PP = percentage point change, the mathematical difference between 2017 and 2016 results.

TRAINING FOR REAL JOBS

- The *Skills First* reforms focus on quality training that leads to jobs and supports industry strategies designed to strengthen apprenticeships and high-value traineeships.
- TAFE Network providers have increased their delivery in identified Government priority areas - training to support the NDIS, Family Violence and Infrastructure workforces as well as apprenticeship and High-Value Traineeships.
- VET enrolments reflect industry employment patterns – with top employing industries also responsible for high shares of enrolments.
- For example, the top industry for VET enrolments, Health Care and Social Assistance, also has the highest share of employment by VET-educated people.
- The top five industry areas represented 48 per cent of industry-aligned enrolments in 2017, 49 per cent of which were delivered by TAFE Network providers.
- Enrolments by apprentices have increased, further reflecting the focus on training that leads to jobs.
- Traineeship enrolments significantly decreased at private providers, leading to an overall Victorian decrease.
- However, TAFEs have increased traineeship enrolments considerably; and this is reflected in the TAFE market share increasing from 19 per cent to 27 per cent between 2016 and 2017.
- The top five industries for apprenticeship enrolments accounted for 96 per cent of overall apprenticeship enrolments, with significant increases in the Construction industry reflecting the Government’s commitment to Victoria’s Infrastructure workforce.

Table 5. Enrolments in Government priority areas by provider type

Priority area	Provider type	2015	2016	2017	% change 2016-17
NDIS	TAFE	8,682	8,029	8,738	9%
	Dual Sector	2,311	2,509	2,933	17%
	ACE	6,118	4,520	4,063	-10%
	Private	27,303	19,583	14,092	-28%
	All	44,414	34,641	29,826	-14%
Family Violence	TAFE	14,705	13,926	15,901	14%
	Dual Sector	5,038	5,262	5,785	10%
	ACE	10,087	7,994	7,459	-7%
	Private	55,283	47,381	39,690	-16%
	All	85,113	74,563	68,835	-8%
Infrastructure	TAFE	23,654	22,279	22,414	1%
	Dual Sector	7,571	7,848	8,384	7%
	ACE	-	-	-	-
	Private	23,419	23,313	18,331	-21%
	All	54,644	53,440	49,129	-8%
High-Value Traineeships	TAFE	1,233	1,520	2,151	42%
	Dual Sector	25	25	38	52%
	ACE	691	609	575	-6%
	Private	6,933	6,452	5,619	-13%
	All	8,882	8,606	8,383	-3%

Source: DET Training market data. The priority areas are not mutually exclusive. NDIS, Family Violence and High-Value Traineeship courses are defined in the 2017 *Funded Courses List*, Infrastructure courses in the *Jobs and Training Needs Reports*. Equivalent superseded courses are also included.

Table 6. Apprentices and Trainees, enrolments by provider type

	Provider type	2015	2016	2017	% change 2016-2017
Apprentices	TAFE	25,183	24,032	26,767	11%
	Dual Sector	6,363	6,562	6,955	6%
	ACE	80	81	98	21%
	Private	11,315	12,144	12,382	2%
	All	42,941	42,819	46,202	8%
Trainees	TAFE	4,258	4,312	5,366	24%
	Dual Sector	522	433	424	-2%
	ACE	1,336	1,242	1,276	3%
	Private	19,798	16,511	12,843	-22%
	All	25,914	22,498	19,909	-12%

Source: DET training market data.

Table 7. Top 5 industries for apprentice enrolments

	2015	2016	2017	% change 2016-17
Construction	23,137	24,598	27,222	11%
Other Services	7,641	7,273	8,011	10%
Manufacturing	4,554	4,215	4,252	1%
Accommodation and Food Services	3,343	3,056	2,918	-5%
Retail Trade	2,025	1,752	1,960	12%

Source: DET training market data.

Table 8. Enrolments by broad industry area – Top 5

	Enrolments				2016 VET employment share
	2015	2016	2017	2017 share	
Health Care and Social Assistance	88,327	76,788	68,016	26%	14%
Construction	60,278	57,471	52,963	20%	15%
Other Services*	21,744	19,501	17,299	7%	6%
Manufacturing	28,348	21,273	16,478	6%	9%
Professional, Scientific and Technical Services	16,629	13,723	12,437	5%	5%

Source: DET training market data, ABS Census of Population and Housing. Training data includes Certificate II and above qualifications only, and excludes non-industry aligned qualifications. ABS Census data includes people with a highest prior qualification at the Certificate, Diploma or Advanced Diploma level. *The Other Services industry includes a broad range of personal services; religious, civic, professional and other interest group services; selected repair and maintenance activities; and private households employing staff.

EQUITABLE ACCESS

- *Skills First* aims to ensure that all Victorians have access to high quality training, regardless of their age, background or postcode. For some cohorts such as unskilled unemployed people, participation in education and training can offer proportionally greater benefits.
- At TAFE Network providers, enrolments increased for three of five key cohorts. For example, enrolments by people (aged 20 to 64) without a prior qualification at the Certificate III or above level increased by 5 per cent. The overall number of enrolments by students in at least one of the key cohorts increased by 3.4 per cent between 2016 and 2017 at TAFE Network providers.
- The ACE sector continues to lead in providing training to learners who face barriers to education. In 2017, ACE providers were responsible for 39 per cent of foundation training enrolments, and foundation training grew 5 per cent at ACE providers between 2016 and 2017.
- The market-wide decline in training was observed across age groups. At TAFE Network providers, enrolments by both men and women increased, with the increase being greater for women.

Table 9. Key cohorts, 2017

Cohort	All providers			TAFE Network providers	
	Enrolments	% of total enrolments	% change 2016-2017	% of total category	% change 2016-2017
People with a disability	41,847	12%	-8%	30%	-2%
Indigenous people	6,127	2%	1%	42%	7%
People with no prior Certificate III (20 to 64)	179,502	52%	-11%	37%	5%
Early School Leavers (15 to 19)	23,753	7%	-11%	62%	-2%
Unemployed people	93,469	27%	-13%	28%	3%

Source: DET training market data. The cohorts are not mutually exclusive.

Table 10. Foundation enrolments by provider type

Provider type	2015	2016	2017	% change 2016-2017
TAFE	10,735	9,508	10,768	13%
Dual Sector	3,008	2,609	3,015	16%
ACE	12,048	11,210	11,733	5%
Private	16,098	7,842	4,882	-38%
All	41,889	31,169	30,398	-2%

Source: DET training market data.

Table 11. Enrolments by gender and age group (working age people)

Gender	Age group	All providers				TAFE Network			
		2015	2016	2017	% change 2016-2017	2015	2016	2017	% change 2016-2017
Female	15-19	36,981	29,485	26,048	-12%	14,925	13,592	13,289	-2%
	20-24	38,736	32,006	29,345	-8%	12,859	12,971	13,572	5%
	25-44	82,374	71,346	69,008	-3%	16,800	17,814	20,497	15%
	45-64	52,999	45,004	42,604	-5%	7,456	8,007	8,787	10%
	Working age total	211,090	177,841	167,005	-6%	52,040	52,384	56,145	7%
Male	15-19	49,398	41,651	37,105	-11%	26,784	24,349	23,811	-2%
	20-24	56,634	48,322	44,459	-8%	27,794	26,575	27,606	4%
	25-44	88,620	71,056	59,733	-16%	24,351	23,773	25,699	8%
	45-64	41,832	32,968	27,394	-17%	7,414	7,024	7,440	6%
	Working age total	236,484	193,997	168,691	-13%	86,343	81,721	84,556	3%
All	15-19	86,425	71,179	63,217	-11%	41,717	37,948	37,143	-2%
	20-24	95,419	80,368	73,891	-8%	40,661	39,557	41,230	4%
	25-44	171,581	142,888	129,118	-10%	41,153	41,632	46,279	11%
	45-64	95,460	78,375	70,285	-10%	14,873	15,045	16,245	8%
	Working age total	448,885	372,810	336,511	-10%	138,404	134,182	140,897	5%

Source: DET training market data. Note: Sums and totals do not match, as 'all' includes indeterminate/intersex/unspecified and unknown.

TRAINING IN VICTORIA'S REGIONS

- *Skills First* reforms implemented on 1 January 2017 involved a planned shift away from low-quality and low-value training, to higher quality and more targeted training aligned to workforce demands. This, combined with a 'quality blitz' leading to government funding contracts with fewer but higher quality training providers, has resulted in a smaller training and TAFE sector.
- The decline in Government-funded VET activity has been more pronounced in regional Victoria than in metropolitan Melbourne. In both cases this has been driven by fewer enrolments with private providers, while TAFE Network providers performed more strongly.
- To ensure the training needs of regional Victorians are being met, the Regional and Specialist Training Fund (RSTF) was implemented in 2017. The RSTF provides funding where there is a strong connection between industry, training and jobs outcomes, even in small cohorts, to provide regions and industries with access to a skilled workforce. Contracted training providers can apply to deliver courses through the RSTF at a higher subsidised rate to cover the additional costs associated with running smaller classes and in locations that carry higher staffing and resource costs.

Table 12. Regional breakdown, providers, students and enrolments, 2017

Delivery region	Provider type	Providers	Students	Enrolments	
				Number	% change 2016-2017
Barwon South West	TAFE	5	10,125	10,948	-3%
	Dual Sector	-	-	-	-
	ACE	24	4,392	5,695	-6%
	Private	98	7,128	7,913	-37%
	All	127	21,645	24,556	-18%
Grampians	TAFE	3	386	414	49%
	Dual Sector	1	3,169	3,472	9%
	ACE	28	2,008	2,820	-3%
	Private	81	4,866	5,308	-18%
	All	113	10,429	12,014	-6%
Loddon Mallee	TAFE	7	6,321	7,115	7%
	Dual Sector	-	-	-	-
	ACE	34	2,808	3,987	-9%
	Private	94	7,832	8,463	-22%
	All	135	16,961	19,565	-10%
Hume	TAFE	6	9,167	10,228	-9%
	Dual Sector	-	-	-	-
	ACE	31	1,888	2,791	0.3%
	Private	90	4,163	4,471	-25%
	All	127	15,218	17,490	-12%
Gippsland	TAFE	7	5,068	5,587	-1%
	Dual sector	-	-	-	-
	ACE	24	1,910	2,987	23%
	Private	75	2,828	3,257	-25%
	All	106	9,806	11,831	-5%
Regional Victoria Total	TAFE	9	30,963	34,195	-2%
	Dual Sector	1	3,169	3,472	9%
	ACE	119	13,005	18,279	-1%
	Private	171	26,757	29,384	-27%
	All	300	73,894	85,330	-12%
Metropolitan Melbourne Total	TAFE	11	65,041	74,979	8%
	Dual Sector	3	26,599	28,820	8%
	ACE	158	33,666	52,276	13%
	Private	299	93,171	104,914	-27%
	All	471	218,477	260,989	-9%

Source: DET training market data. Excludes interstate, unknown, online etc. Providers may deliver training in more than one region, students may study in more than one region, and an enrolment may be delivered at multiple locations.

NOTES ON THE DATA

Data source

The main source of vocational training statistics in this report is DET's training activity database referred to as Skills Victoria Training System (SVTS). This administrative data is reported to DET by Government-funded training providers.

SVTS data included in this report may differ to previous publications as classifications are updated from time to time to improve data quality and consistency across years. In addition, changes to reporting and data standards may lead to minor revisions to data previously reported.

SVTS data presented in this report is not comparable to other publicly available data such as:

- Victorian data held by the National Centre for Vocational Education Research (NCVER) due to adjustments made by the NCVER to allow for cross-jurisdiction comparisons. These adjustments transform data collected under various local rules by each State and Territory in Australia into a nationally consistent form by applying national counting rules, additional data cleaning and coding processes.
- Budget Paper No. 3 (Chapter 2 - Department performance statements) because of differences in counting rules and definitions.

The main measures used in this report are students, course enrolments and commencements. Course commencements show the number of new course enrolments in a given year, as courses often take more than one year to complete. Course enrolments include both new commencements and continuing enrolments. A student may be enrolled in more than one course at a training provider during a given reporting period.

The report also draws on Victorian employment data from the Australian Bureau of Statistics and VET data which allows for inter-jurisdictional comparison from NCVER.

Data scope

This report covers Government-funded training activity only. Training activity for the full year 2017 is compared with the same period in 2015 and 2016 to provide a picture of changes and trends over time.

Learn Local and Adult and Community Education (ACE)

The Training Market Report generally classifies providers as TAFE, Dual Sector, Adult and Community Education (ACE) or private. However, some data sources use a slightly different definition – Learn Local – rather than ACE. Only Learn Local organisations report activity through to the Adult, Community and Further Education Board, while ACE organisations are self-identified and are not required to do so. Some Learn Local organisations self-identify as private RTOs and are therefore not included in the ACE definition.

Industry classifications

All industry titles and classifications included in this report are defined as per the Australian and New Zealand Standard Industrial Classifications (ANZSIC). For more information, see: www.abs.gov.au/ANZSIC.

Where a qualification is considered relevant across several industries, enrolments have been proportionally allocated across relevant ANZSIC industries using employment data as a guide.

Foundation courses

Foundation courses are identified as set out in the *Guidelines about Determining Student Eligibility and Supporting Evidence* for the relevant reporting period.

Regional analysis

Data on regional training is reported by the region in which the training was delivered (as distinct from the region where the student lives). Note a course can be delivered to a student across multiple regions. In these cases the course enrolment will be counted in each region in which it was delivered. Consequently, for tables that present data by delivery region, totals may not match the sum of their components.

SKILLS FIRST

Skills First is a set of reforms for the training and TAFE sector. These set a high benchmark for training quality, and support the courses that are most likely to lead to employment. Skills First is a commitment to a contestable, but more managed training and TAFE system, where providers who have satisfied the new rigorous standards receive government funding to provide high quality, industry relevant training to students.

Skills First is made up of:

- high-quality training that students and industry can trust, aligned to industry and workforce needs
- a real voice for industry in training
- funding for high-needs learners who need additional support to engage with and succeed in education and training
- access to targeted, relevant training for students in regional areas.

Figure 1. Elements of Skills First

