



PARLIAMENTARY LIBRARY

INFORMATION ANALYSIS ADVICE

QUICK GUIDE

RESEARCH PAPER SERIES, 2018–19

19 NOVEMBER 2018

The vocational education and training sector: a quick guide

Carol Ey
Social Policy Section

This quick guide provides an overview of the vocational education and training (VET) sector including:

- [what the sector covers](#)
- [policy and regulatory responsibilities](#) and
- [funding](#).

Links are also provided to [further information](#).

What the sector covers

Students

In [2017](#), an estimated 4.2 million students were enrolled in VET with an Australian training provider, representing almost a quarter of the Australian population aged 15–64 years.

In comparison, in the same year, there were 1.5 million [higher education students](#) enrolled with an Australian higher education provider, and 3.8 million [school students](#) enrolled in Australia.

Of those VET students for whom the relevant information is [recorded](#):

- 52.0% were male
- 3.8% identified as Indigenous
- 5.0% reported having a disability and
- 4.4% were international students.

For domestic students, 65.7% reside in major cities, 31.5% in regional areas, and 2.9% in remote areas. [Australian Bureau of Statistics](#) population figures for 2017 showed that 71.8% of the population lived in major cities, 26.2% in regional areas and 2.0% in remote locations.

Qualification levels and courses

Accredited VET programs cover a wide range of activities, including part-day employer-specific training, general use courses such as first aid training, year-long employment-related certificates, apprenticeships, and postgraduate diplomas. Courses include those provided at [Australian Qualifications Framework](#) (AQF) levels 1 to 8, as well as non-award courses. The proportion of program enrolments at each level in 2017 is shown in Table 1 below.

Table 1: the proportion of program enrolments at each Australian Quality Framework level, 2017

Australian Quality Framework level	Proportion of program enrolments
Level 1—Certificate I	5.8%
Level 2—Certificate II	17.7%
Level 3—Certificate III	29.4%
Level 4—Certificate IV	13.4%
Level 5—Diploma	12.7%
Level 6—Advanced Diploma/Associate Degree	2.2%
Level 7—Bachelor Degree (honours and pass)	0.1%
Level 8—Graduate Certificate/Graduate Diploma	0.2%
Other recognised and non-award courses	18.5%

Source: National Centre for Vocational Education Research (NCVER), [Total VET students and courses 2017](#), NCVER, Adelaide, 2018, p. 15.

Of these program enrolments, most (74.0%) were in [national training package](#) qualifications, while 10.9% were in nationally recognised accredited courses, 7.5% in locally recognised courses, 7.5% in nationally and locally recognised skill sets, and the remaining 0.1% in higher-level qualifications.

The three fields of study with the largest number of program enrolments were management and commerce (19.4%), engineering and related technologies (14.0%), and society and culture (13.8%).

In addition to program enrolments, there were some 5.2 million subject-only enrolments. These are where students enrol in a single unit, rather than a course.

Providers

In [2017](#), VET courses were provided by:

- 3,156 private training providers
- 442 community education providers
- 398 schools
- 143 enterprise providers
- 41 TAFE institutes and
- 13 universities.

Of the total 4,193 providers, 240 were not [registered training organisations](#) (RTOs). Providers must be registered in order to deliver nationally recognised courses and AQF-accredited VET qualifications, or to receive government funding for the provision of VET courses. Those providers who are not RTOs would typically be delivering non-award courses.

The majority of students (60.2%) were enrolled with a private training provider only, while the next largest group were enrolled with a TAFE institution only (16.1%).

Policy and regulatory responsibilities

The VET sector is a joint responsibility of the Australian and state and territory governments. The [National Agreement for Skills and Workforce Development](#) (NASWD), formulated as part of the [Intergovernmental Agreement on Federal Financial Relations](#) (IGA FFR), defines the objectives, outcomes, outputs and performance measures, and the roles and responsibilities of governments in the delivery of services across the skills and workforce development sector.

Specific measures can also be progressed through National Partnership arrangements under the IGA FFR, placing obligations on both levels of government. There are currently two National Partnerships relating to the VET sector:

- the [National Partnership on the Skilling Australians Fund](#) and
- the [Project Agreement for the New South Wales Infrastructure Skills Centre](#).

The [Council of Australian Governments \(COAG\) Industry and Skills Council](#) (CISC) has responsibility for intergovernmental arrangements regarding:

- industry competitiveness, productivity and labour market pressures and
- skills development and national training arrangements.

The [Australian Industry and Skills Committee](#) (AISC) was established by the CISC to give industry a formal role in developing and approving [national training packages](#). The AISC receives advice from industry-specific [Industry Reference Committees](#) (IRCs), which have representation from large and small businesses, and peak bodies and unions, to ensure that industry skill requirements are reflected in the national training system.

Federal government VET policy and programs are primarily the responsibility of the [Department of Education and Training](#). However, the [Department of Industry, Innovation and Science](#) advises on industry policy, including through input into the CISC and the NASWD, which can shape investment in VET.

State and territory policy responsibility generally rests with the relevant Department of Education, but in some cases it rests with economic-focused agencies such as the South Australian Department of State Development. The Parliamentary Library publication [Tertiary Education: a Quick Guide to Key Internet Links](#) lists the relevant agency for each state and territory. In addition, states and territories are also VET providers, through TAFE and some Adult Migrant English services.

The [Australian Skills Quality Authority](#) (ASQA) is the national regulator for Australia's VET sector, with responsibility for the registration of training providers and accreditation of courses. It also manages the registration of VET and English language course providers who wish to offer courses to overseas students studying in Australia ([CRISCOS](#)). Providers who only offer courses in Victoria or Western Australia, and who do not intend to enrol overseas students, can register with their relevant state regulator instead (the [Victorian Registration and Qualifications Authority](#) and the Western Australian [Training Accreditation Council](#)).

Funding

Government funding

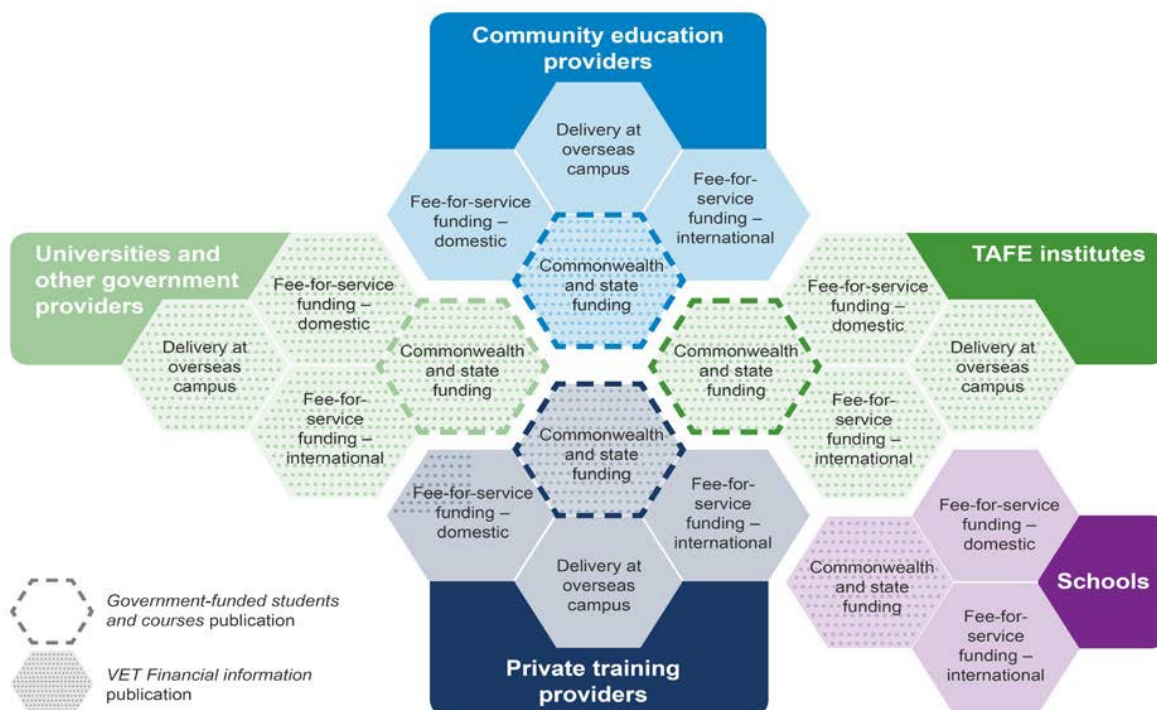
Unlike school and higher education sectors, a significant proportion of VET activity is undertaken by non-government providers on a fee-for-service basis without any government funding. The cost for this activity is borne by the student or their employer. For example, of the 4.2 million students undertaking VET activity in 2017, only [1.2 million](#) were enrolled in courses outside the school system that were directly government funded (that is, were '[government-funded students](#)').

Federal and state/territory government funding is provided through multiple channels, including:

- targeted funding, such as through the NASWD, National Partnerships and specific programs, often through training subsidies
- general funding of government-supported providers such as TAFE institutes, schools and universities, including capital funding
- fee-for-service arrangements for the provision of designated programs (such as the Adult Migrant English Program) and
- [VET FEE-HELP](#) and [VET Student Loans](#), which are paid to providers on behalf of students in designated courses.

The complexity of these arrangements is illustrated in Figure 1. The state and territory governments directly operate some VET providers, such as the TAFE institutes and government schools, while both levels of government subsidise certain courses or programs and directly contract fee-for-service provision of others.

Figure 1: the reporting scope of VET financial information, 2017

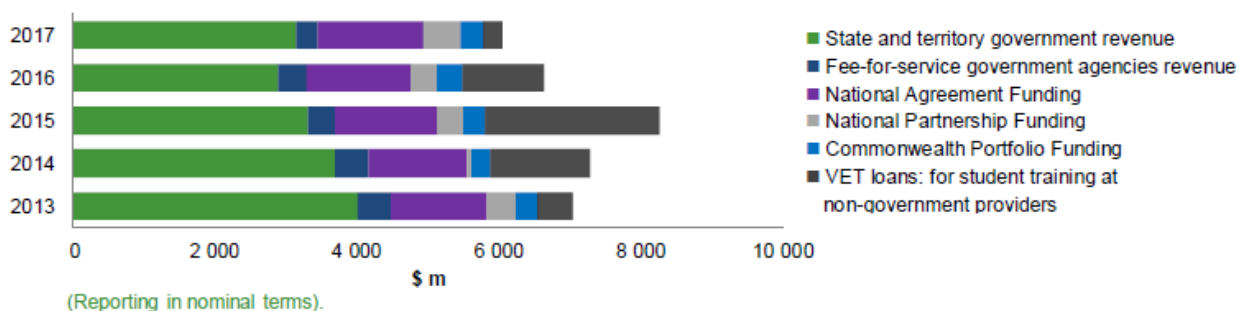


Note: Fee-for-service funding in total VET activity is defined as training that has received no government support; the cost therefore is met by the individual.

Source: National Centre for Vocational Education Research (NCVER), [Australian vocational education and training statistics: financial information 2017](#), NCVER, Adelaide, 2018, p. 5.

Of the \$6.1 billion in government recurrent funding provided to the VET sector in [2017](#), the largest contribution (51.9%) was from state and territory direct funding, as shown in Figure 2 below. Funding under the NASWD was the second largest source (24.5%). Government funding via VET student loans to non-government providers was only \$275,000 in 2017, compared to nearly \$2.5 million in 2015. This change in the level of loan funding is largely due to the stricter eligibility requirements introduced when the [VET Student Loans](#) scheme replaced VET FEE-HELP from 1 January 2017, [in response to concerns](#) about the administration and fiscal sustainability of the latter.

Figure 2: VET government funding by type, 2013 to 2017



Note: Does not include capital revenue. Fee-for-service government agencies—includes revenues received directly from federal and state and territory government departments, generally on a tendering/bidding basis. Tendering/bidding would generally involve shorter term, individual project/course-specific contracts, arrangements and payments.

Source: [NCVER](#), op. cit., p. 8.

In addition, some federal government funding is provided directly to students, such as through [Trade Support Loans](#) and [Living Away From Home Allowance](#) for apprentices, and [student income support](#) arrangements. There is also a range of incentive payments available to employers of apprentices through the [Australian Government Australian Apprenticeships Incentives Programme](#).

Fees

In general, providers set their own fees for each course or unit. This can vary from less than \$100 for a part-day course or unit (for example, \$65 for a three-hour [First Aid Management of Anaphylaxis](#) course conducted by the Red Cross) up to thousands of dollars for multi-year technical training (for example, over \$81,000 for the [Diploma of Aviation \(Commercial Pilot Licence - Aeroplane\)](#) conducted by Australian Wings Academy).

Different providers may charge different fees for the same course, even within the same state TAFE system. For example, in Victoria, the fee for the Certificate III in Electrical Fitting course at [Melbourne Polytechnic](#) (also known as Northern Melbourne Institute of TAFE) is \$19,200 (\$4,750 for eligible [Skills First](#) students), while for the same course [South Metropolitan TAFE](#) charges \$3,682.

Different course costs can reflect a range of factors. The [Productivity Commission](#) cites differences in training-related factors (such as class sizes, contact hours, and teaching salaries), jurisdictional factors (such as the characteristics of students and scale of delivery), and policy factors (such as the level of fees allowed to be charged to students), as well as building and land costs, as cost drivers, but these are not always easily compared between providers.

For government-subsidised training, maximum student contributions may be set (such as in [New South Wales](#)) or the hourly rate of subsidy may be set (as in [Victoria](#)).

Fees for specific courses can be obtained through the [My Skills](#) website.

Further information

- The [National Centre for Vocational Education Research](#) (NCVER) provides a wide range of research and statistical [publications](#) relating to VET, as well as [VOCSTATS](#), a product that allows sophisticated data users to produce their own statistical tables.
- The '[Vocational education and training](#)' chapter of the Productivity Commission's *Report on Government Services 2018* provides information on government-funded VET, including a range of performance information.
- For a comprehensive history of the development of the VET sector, see K Bowman and S McKenna, [The Development of Australia's National Training System: a Dynamic Tension between Consistency and Flexibility](#), a report prepared for the Department of Education and Training in 2016.
- The [My Skills](#) website is designed for training consumers and provides a national directory of VET training courses and providers, as well as information on careers and industries.
- [Training.gov.au](#) is the national register for training in Australia and contains the authoritative information about RTOs and nationally recognised training.
- The [Australian Apprenticeships](#) website provides a range of information and support for apprentices and employers. It also includes the [National Skills Needs List](#), which is a list of traditional trades that are identified as experiencing a national skills shortage.
- In addition to the links provided above, the Parliamentary Library publication, [Tertiary Education: a Quick Guide to Key Internet Links](#) includes links to TAFE providers and to state and territory government agencies with responsibility for VET.

© Commonwealth of Australia



Creative Commons

With the exception of the Commonwealth Coat of Arms, and to the extent that copyright subsists in a third party, this publication, its logo and front page design are licensed under a [Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia](#) licence.