

Is VET the panacea we think it is?

An overview of 3+ years of work

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NCVER Research Forum
Realising our potential: widening participation through education
and training

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- Q&A style debate
 - A companion synthesis report will be available soon structuring the same research output into themes

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 - individuals in low socio-economic status households
 - being of indigenous or Torres Strait islander descent
 - having poor English skills
 - having low levels of formal education
 - being older workers (re-)entering the workforce
 - having a disability
 - Etc.

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 - Can break it down to a proportional contribution by each of the 7 domains (summing to 100%)
 - Income alone ~ 30%.

What did we find?



- You can manipulate the level of exclusion, but it has no impact on the story

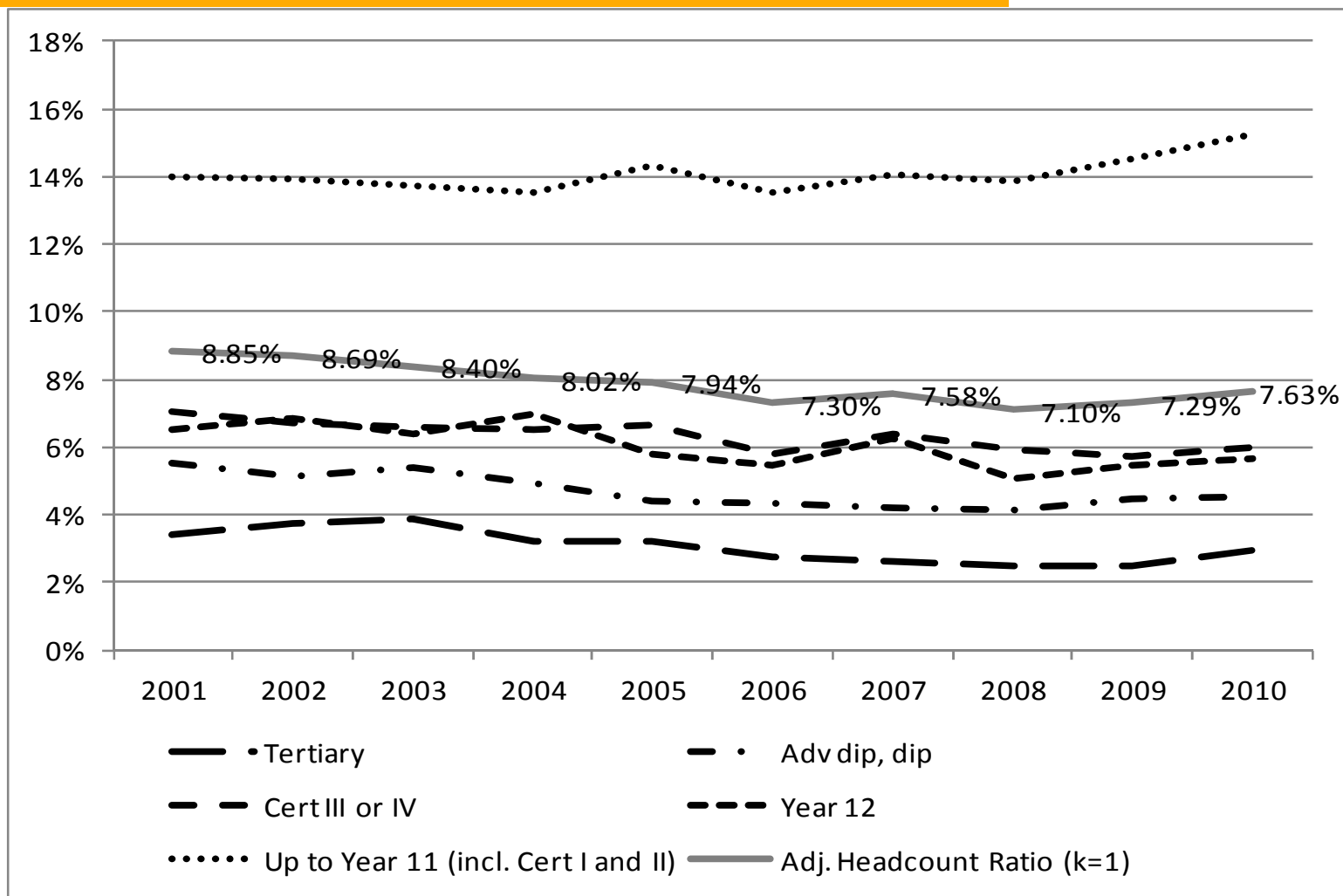
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- Moral: Education as a pathway to education+. Be prepared for a long road

Completion gaps and VET



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 - Is there a completion gap?
 - Yes
 - Is there an employment gap post-course
 - Yes
 - Is the employment gap the result of the completion gap?
 - On average, no; Moving from unemployment to employment post-course is not affected by completion, or any other observables

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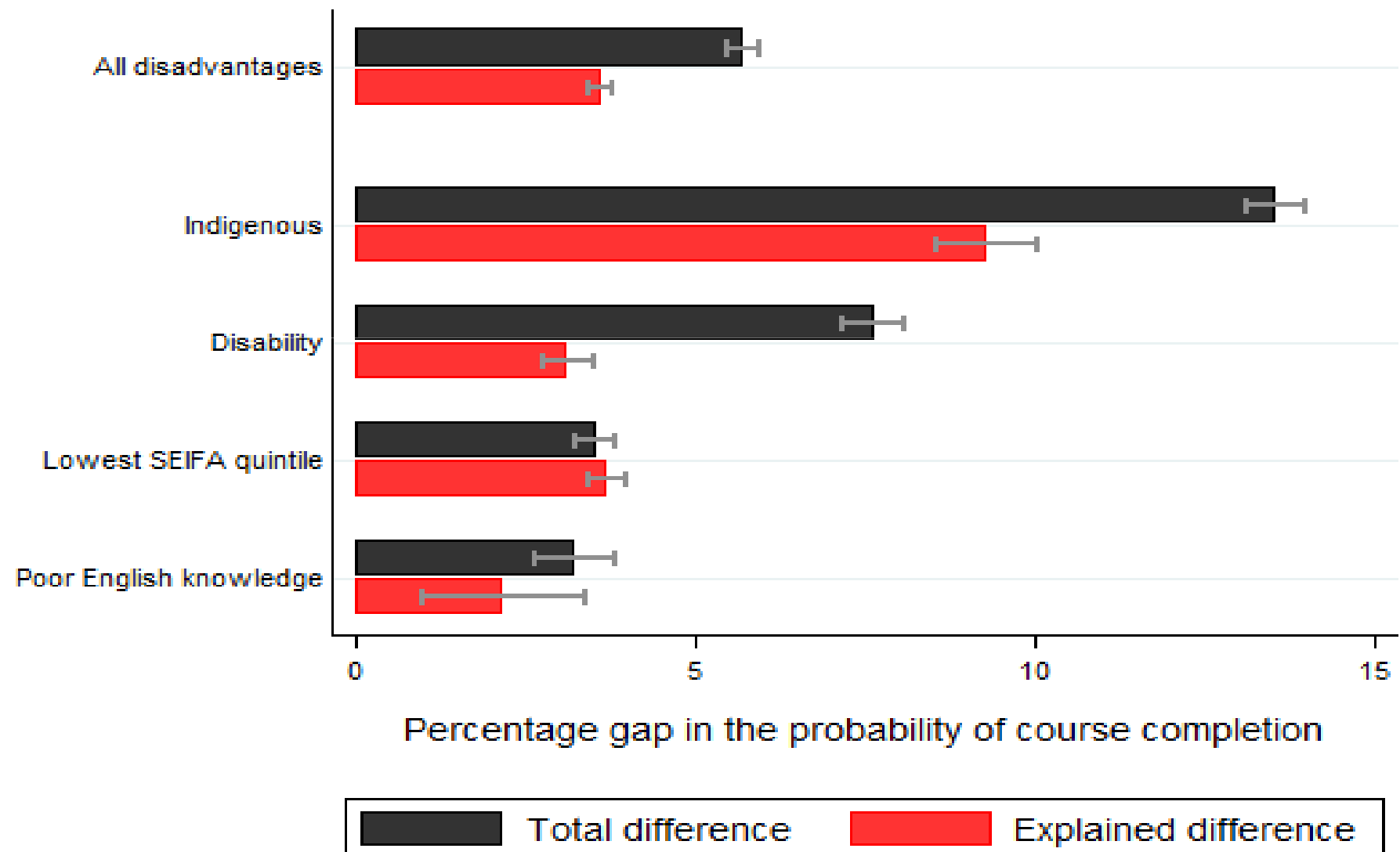
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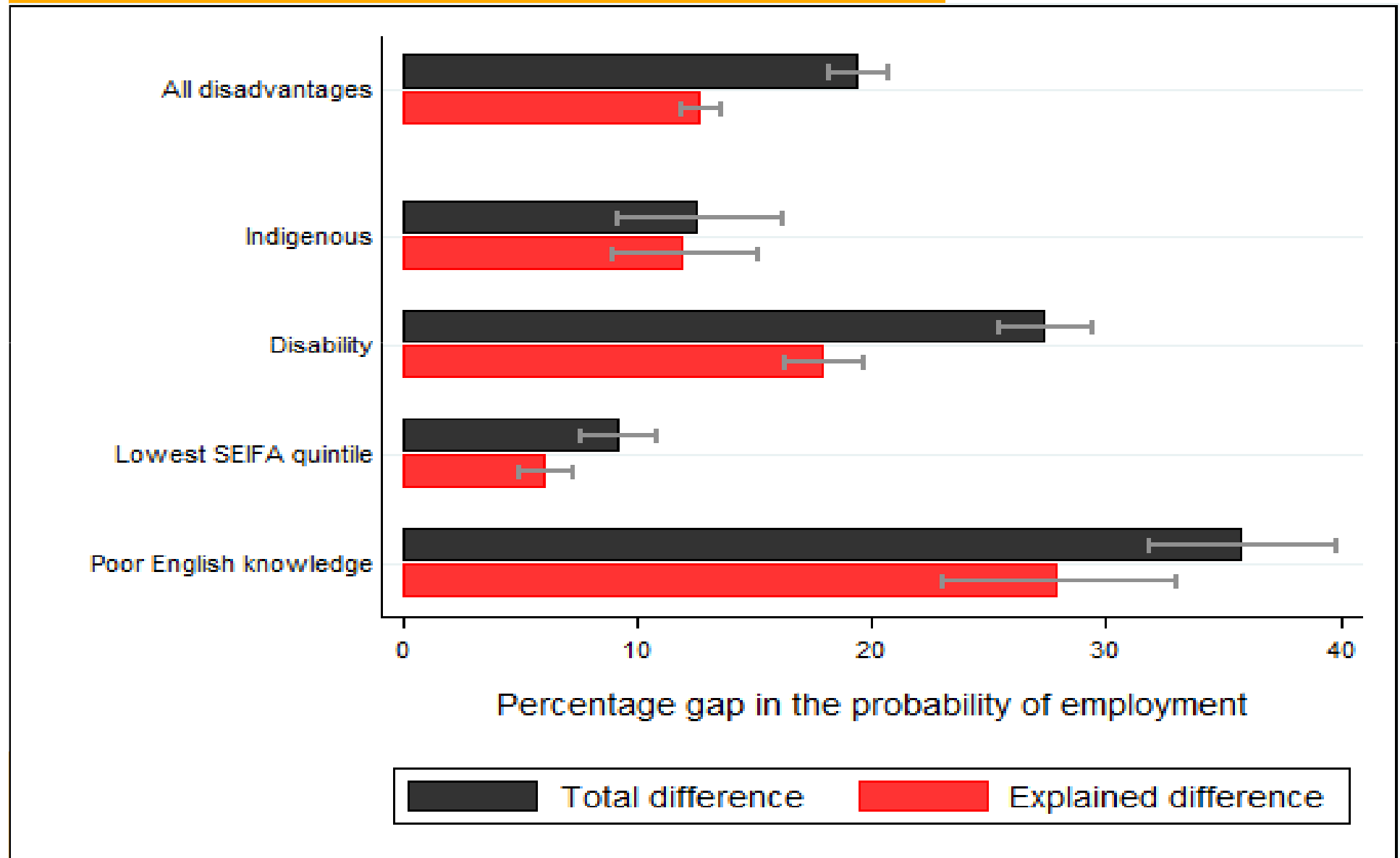
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- The explained part is the share of the gap we eliminate if disadvantaged students had on average the same observed characteristics as do the non-disadvantaged students
 - What remains of the gap is referred to as the unexplained gap, the gap due to so-called unobservables, or sometimes plainly stated to be discrimination

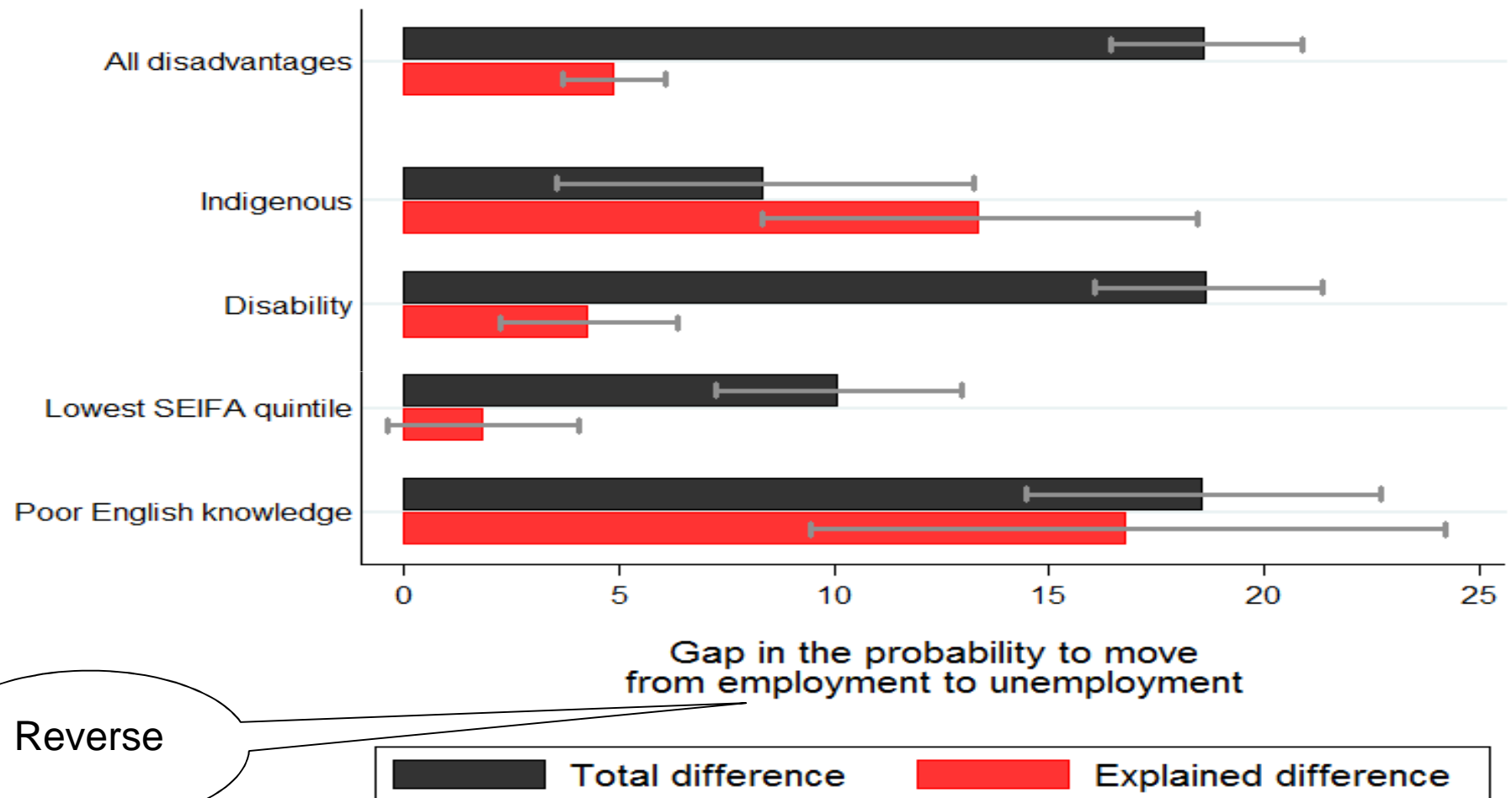
How big is the gap? Course Completion



How big is the gap? Employment post-course



How big is the gap? Escaping unemployment



Is VET the panacea? A tale of two policies

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FACULTY OF
BUSINESS &
ECONOMICS



Introduction

- Three policies that (among other things) aimed to encourage engagement in VET
 1. Victorian Training Guarantee (VTG)
 2. Scored VET-in-school subjects
 3. **Learn or Earn**
- At various stages of publication
 - Taster of the approach, findings and implications

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Victorian Training Guarantee



Victorian Training Guarantee (VTG)

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What the VTG meant for Victoria

- July 2009-June 2012 (excluding 'Refocussing VET')
- Uncapping of publicly-subsidised places in VET
- Change allocation of publicly-subsidised places from government supply-driven to student demand-driven
- Full contestability for publicly-subsidised VET courses
- Greater, but limited, fee competition
- Extra entitlements for 25+

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Key research questions

- For 15-19 year olds, what has been the impact of the VTG in 2010-2011 on:
 - VET enrolments?
 - The responsiveness of enrolments to skill demands?
 - The quality of VET training?
 - Student outcomes?

What the media said...

Collision Course of Learning

THE AUSTRALIAN (16/5/2012)

“Victorian taxpayers...got an explosion in dubious courses from private colleges as the reputation of the education and training sector sped south... What were they learning? Skills the economy needed? Not necessarily. Those cheap to teach? Definitely. Enrolments in real estate, warehousing, recreation and finance more than doubled in just three years. Despite the resources boom, mining was the only area where enrolments declined.”

‘Market design’ fails to supply the skills

THE AUSTRALIAN FINANCIAL REVIEW (3/7/2012)

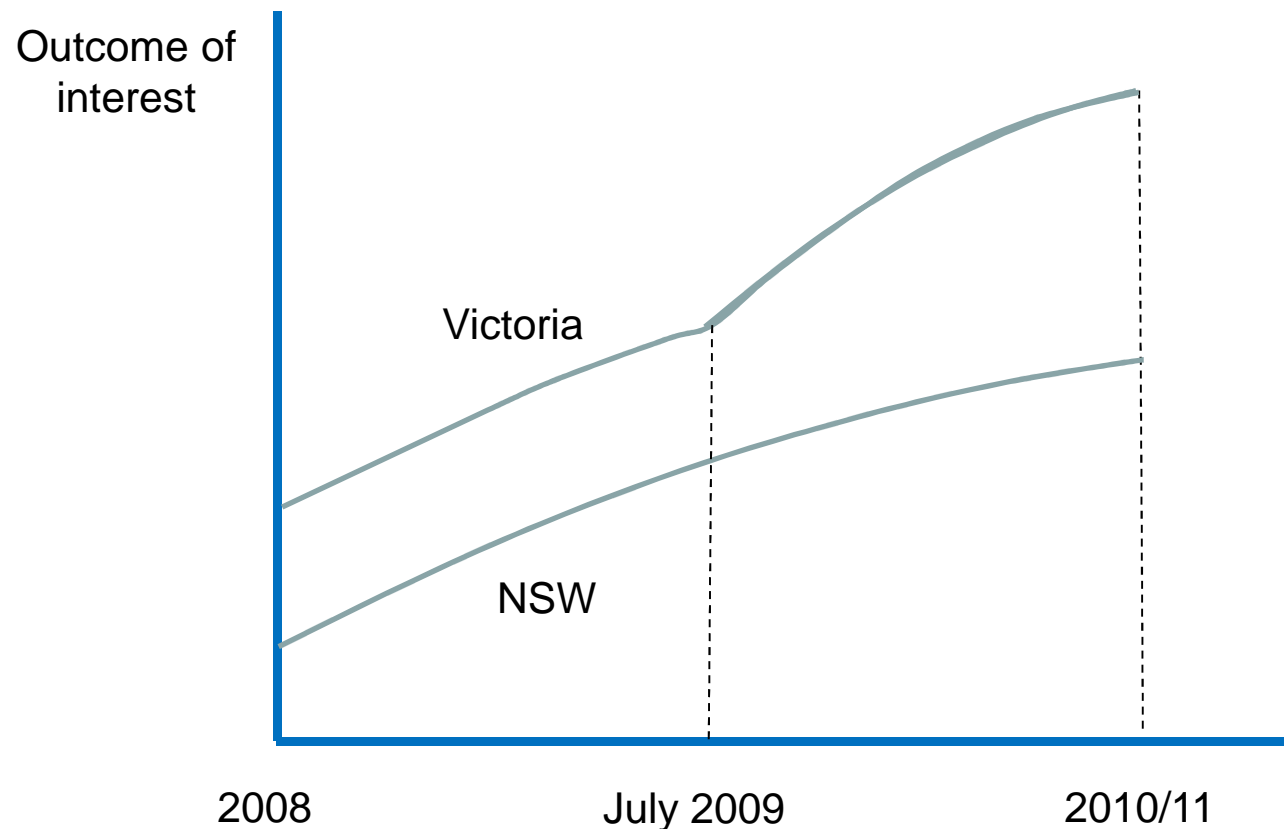
“...the Victorian experience of meddling in the education market led to a budget blowout and oversupply of workers with skills, such as personal fitness trainers, that do little to ease the skill bottlenecks holding back the economy’s mining boom.”

Research method

- Difference-in-differences
- New enrolments from VET provider collection (VETPC) 2008-2011, tracked over time
 - Individual course choice linked skill demand information:
 - skill shortage (DEEWR),
 - previous year's graduate wages (Student Outcome Survey (SOS))
 - Student completion information from VETPC
 - Student outcome data from SOS

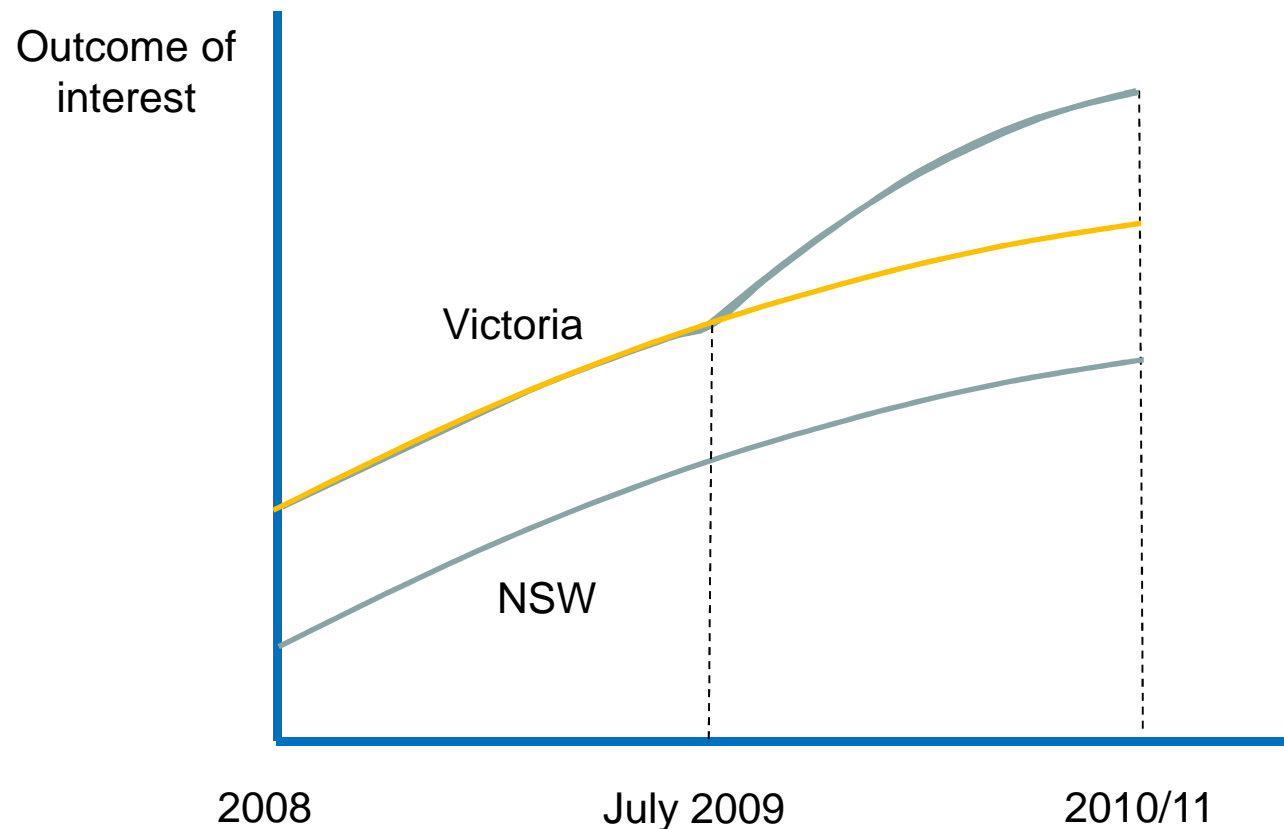
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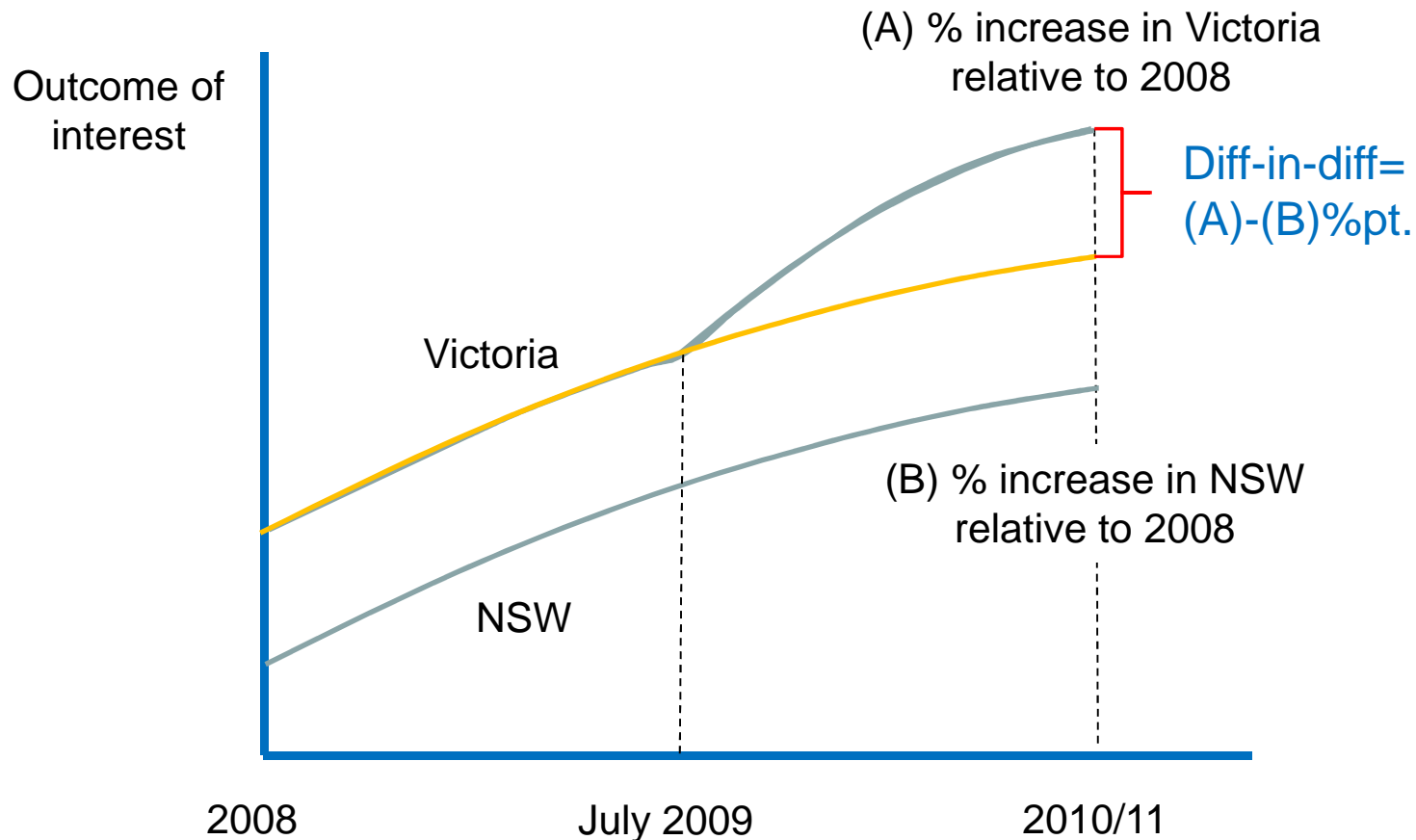
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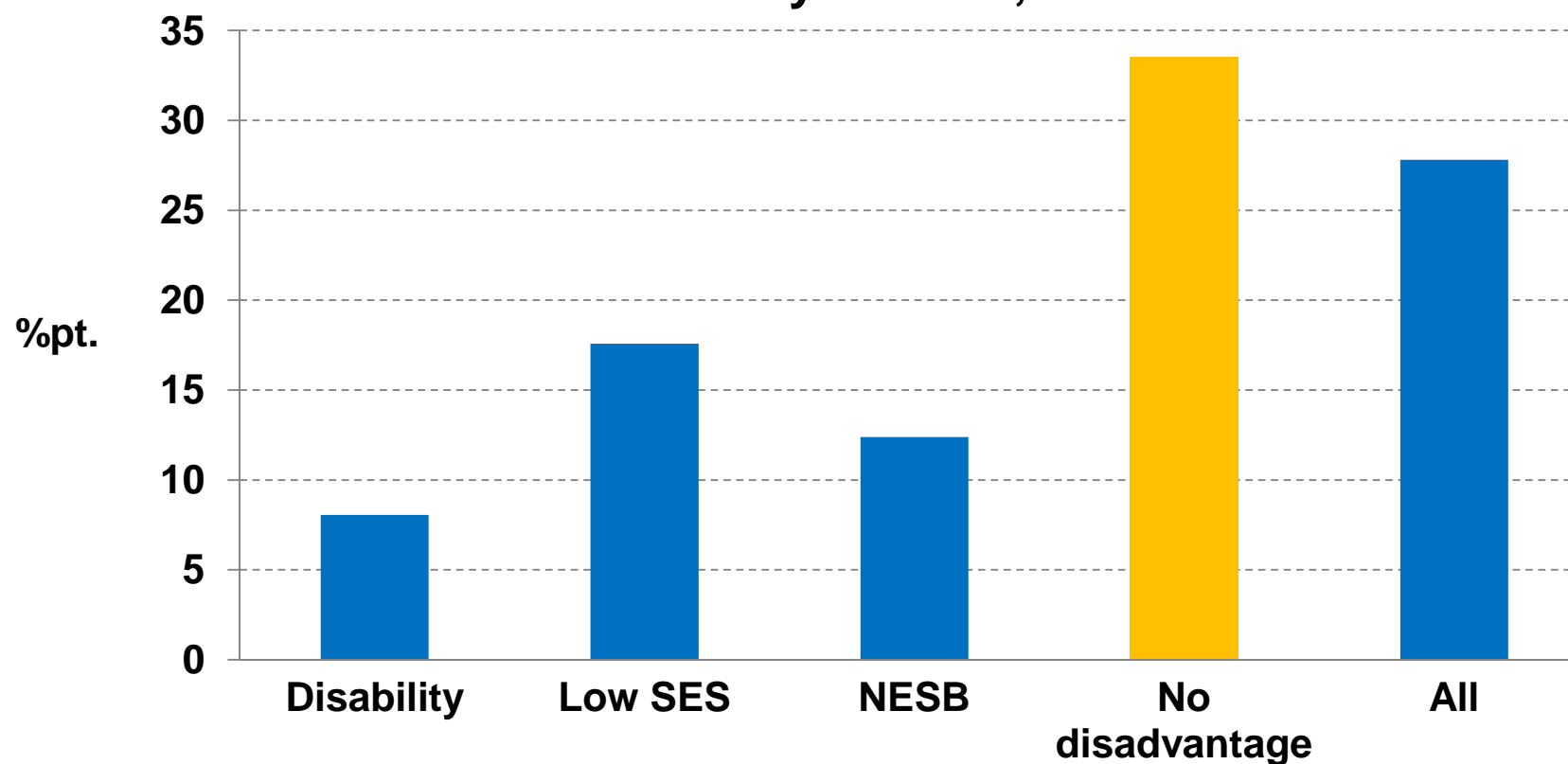


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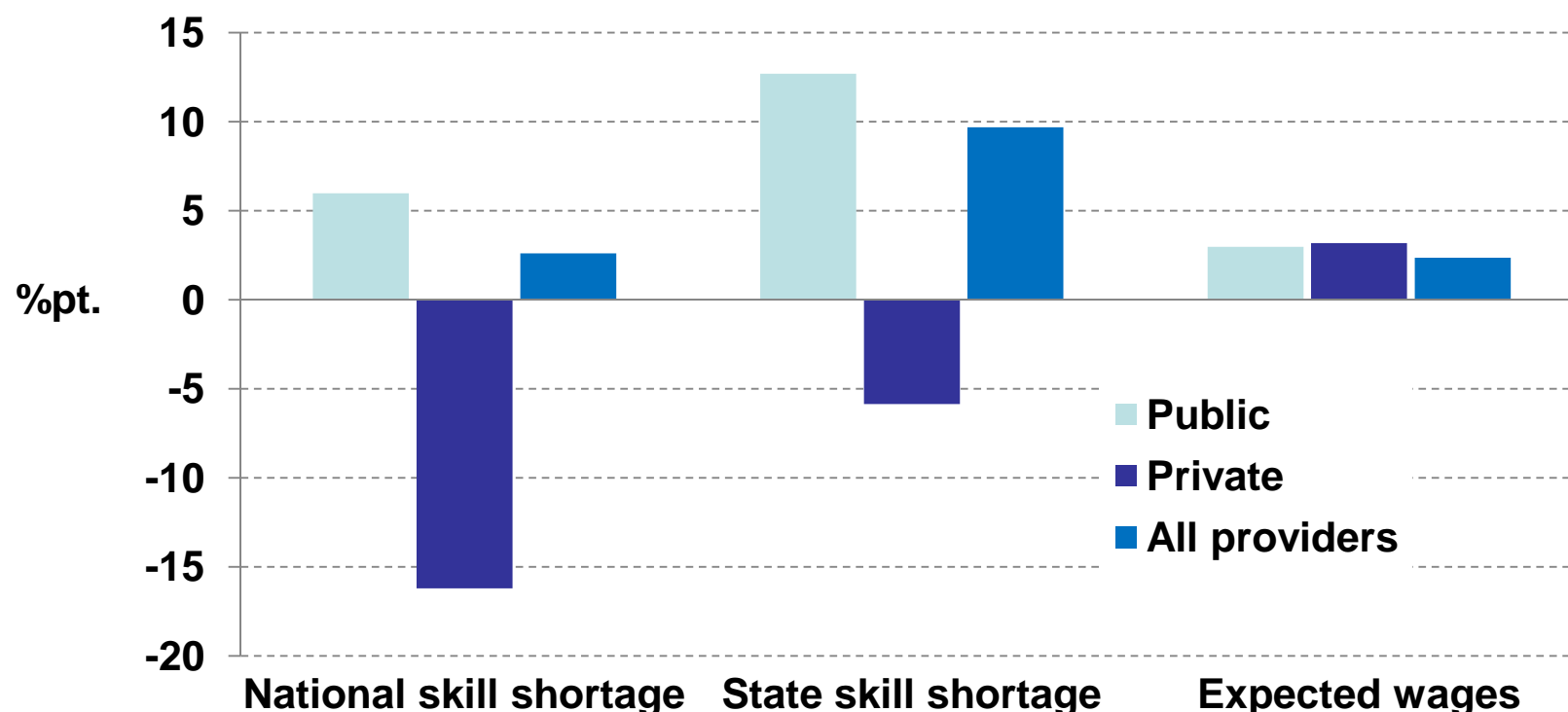
Results - enrolments

Average annual impacts on AQF enrolments
of 15-19 year-olds, 2010-11



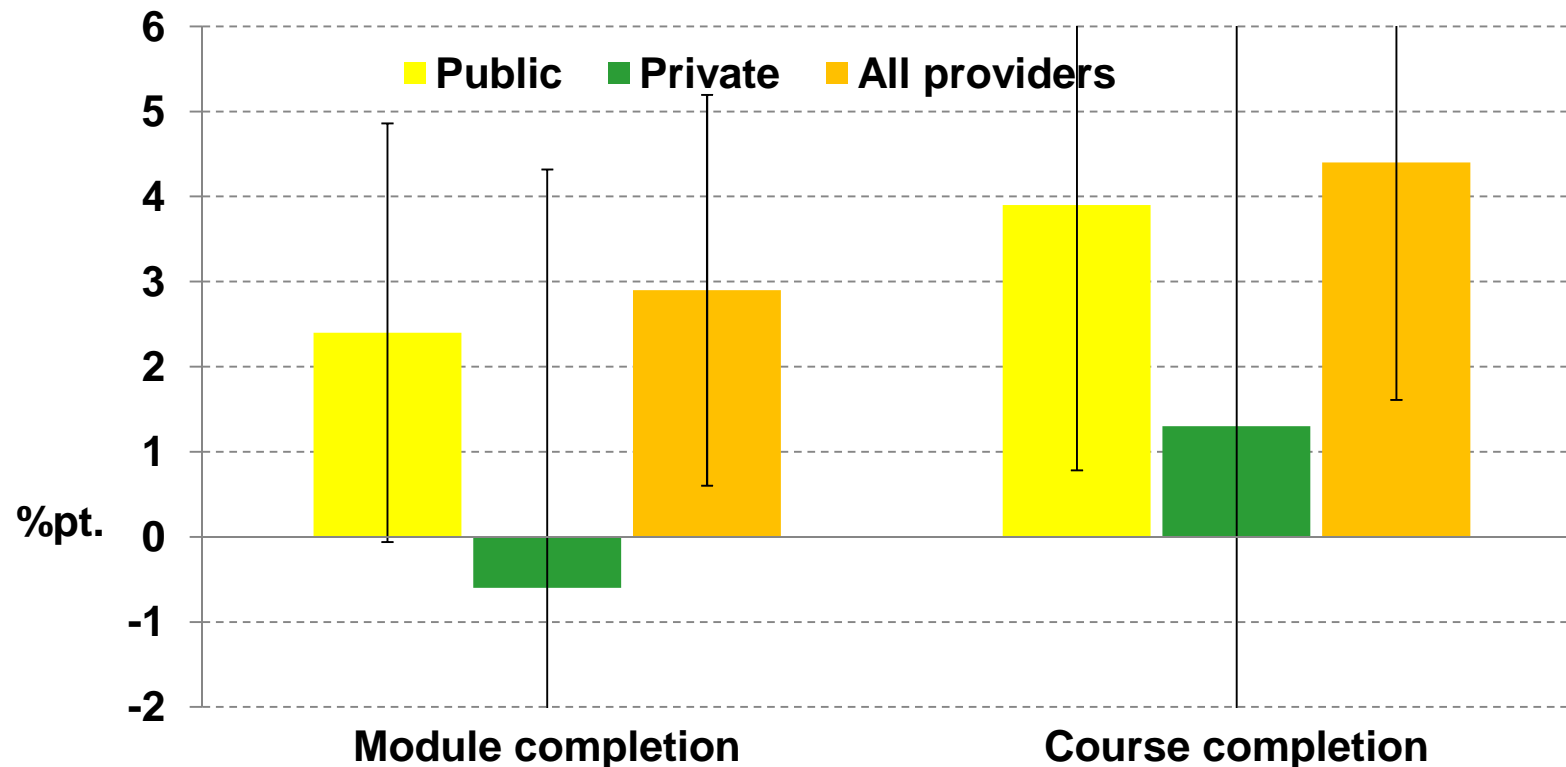
Results – demand responsiveness

**Average annual impact on demand responsiveness
of 15-19 year old enrolments by provider type, 2010-11**



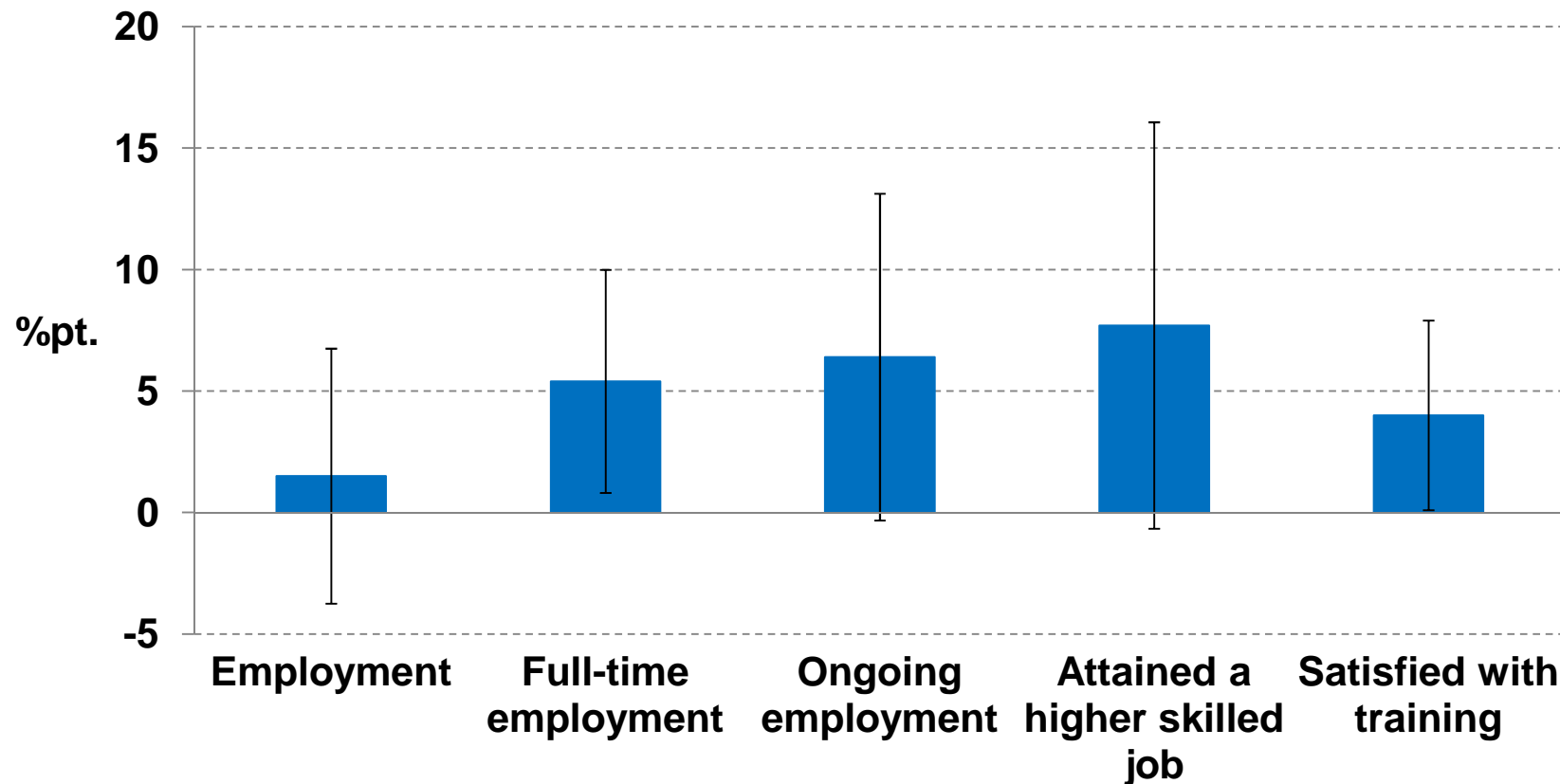
Results – quality

Average annual impact on course & module completion of 15-19 year old enrolments by provider type, 2010-11



Results – student outcomes

**Impact on labour market outcomes 6 months after graduation
for 15-19 year-old January-February 2010 enrolments**



Implications

- Increasing access is not the panacea for improving participation for the disadvantaged
- Given greater opportunities, on average, young people make good course choices
 - VTG was not necessarily an efficient use of funding, but should access be rationed according to ‘skill need’?
 - Can we improve choice with better information?
- Increased contestability of funding appears to have increased training quality
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- Scored VET subjects count towards ATAR score
- Potentially allow flexibility to pursue vocational paths without compromising access to university
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 - we focus on Victorian model, 'VCE VET'
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- De-identified datasets linked at student level
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- University access
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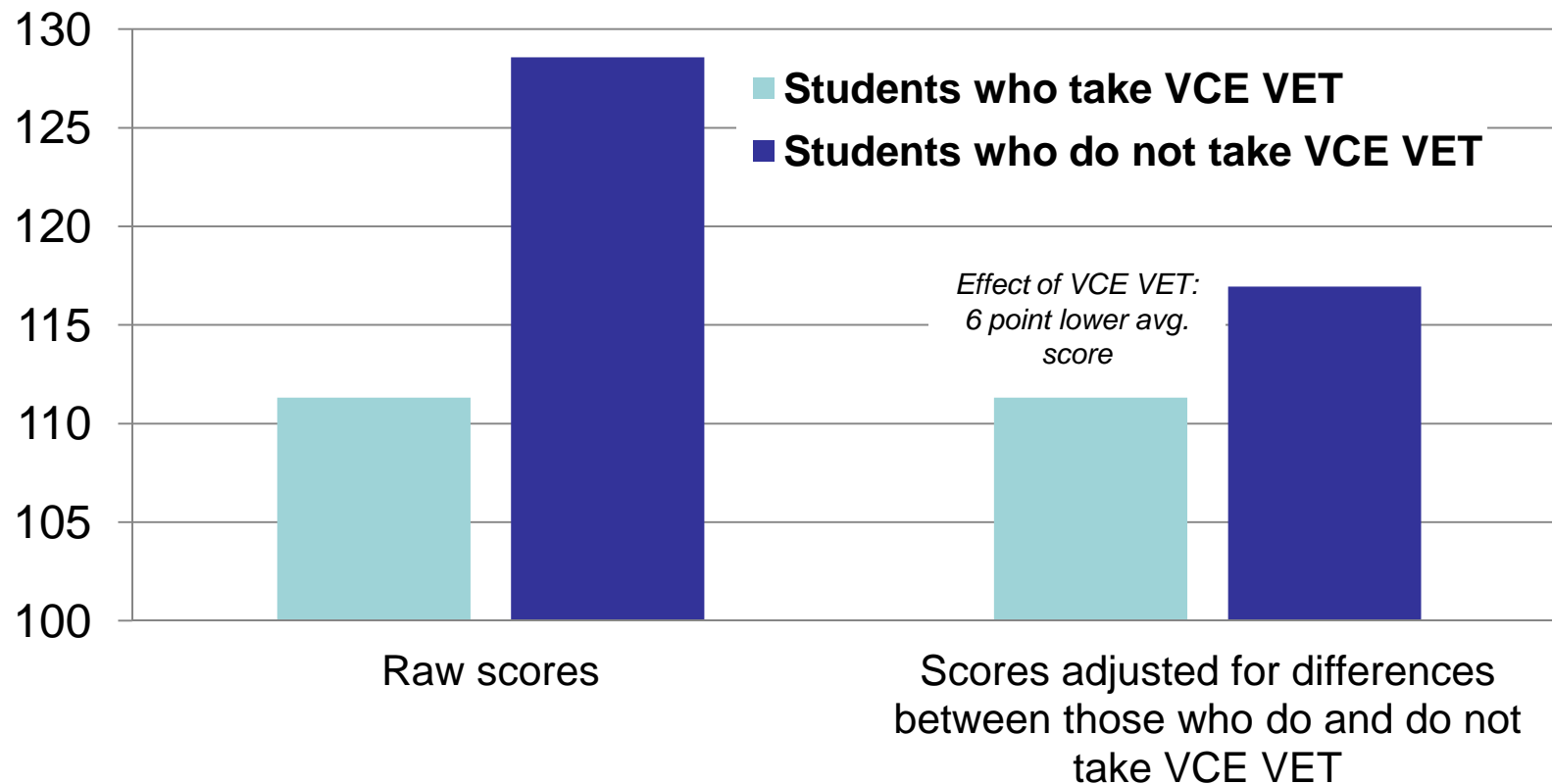
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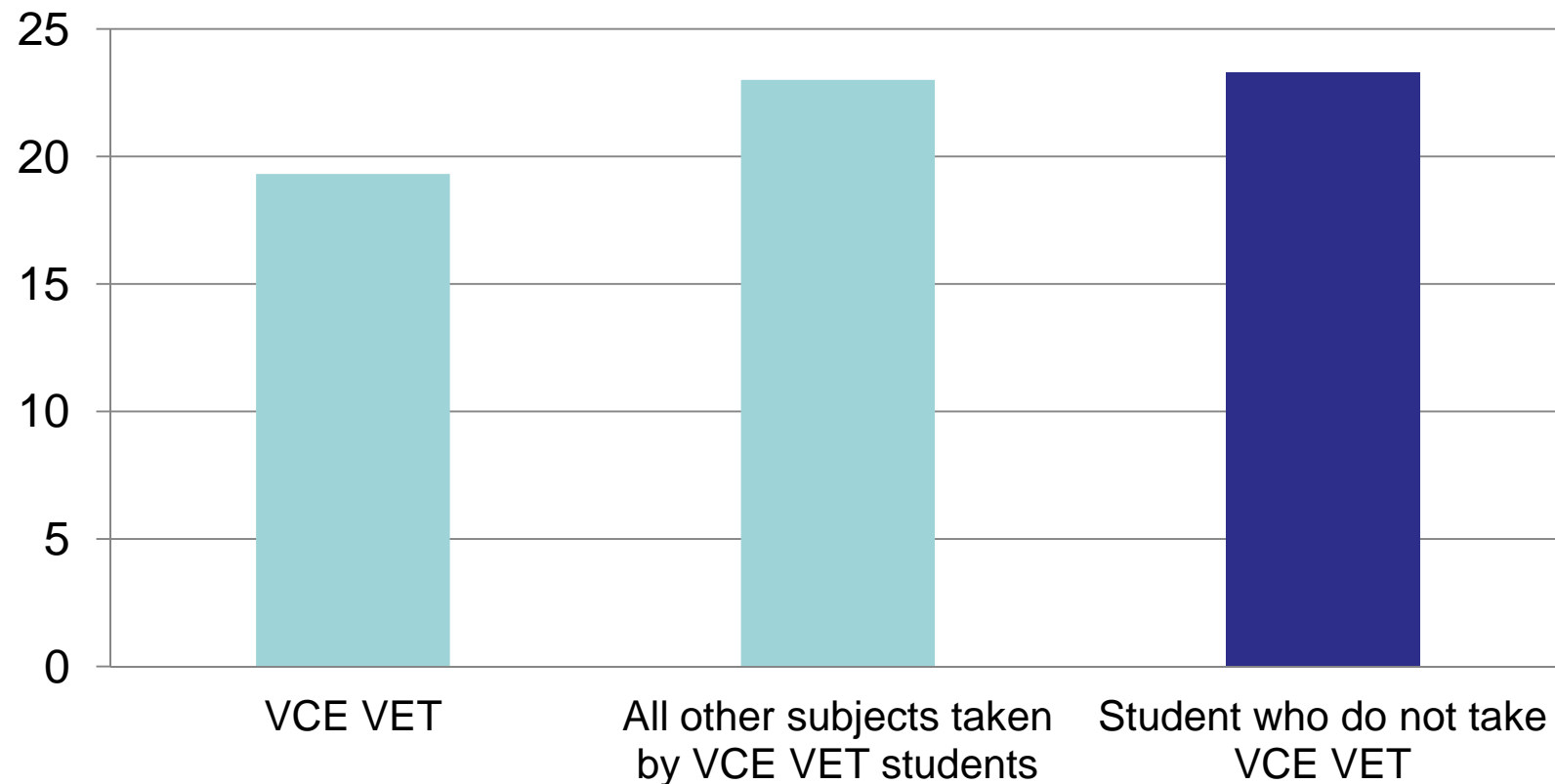
Results – effect on VCE study score

Average VCE study scores (out of a possible 205) among university applicants who complete Year 12 in 2011



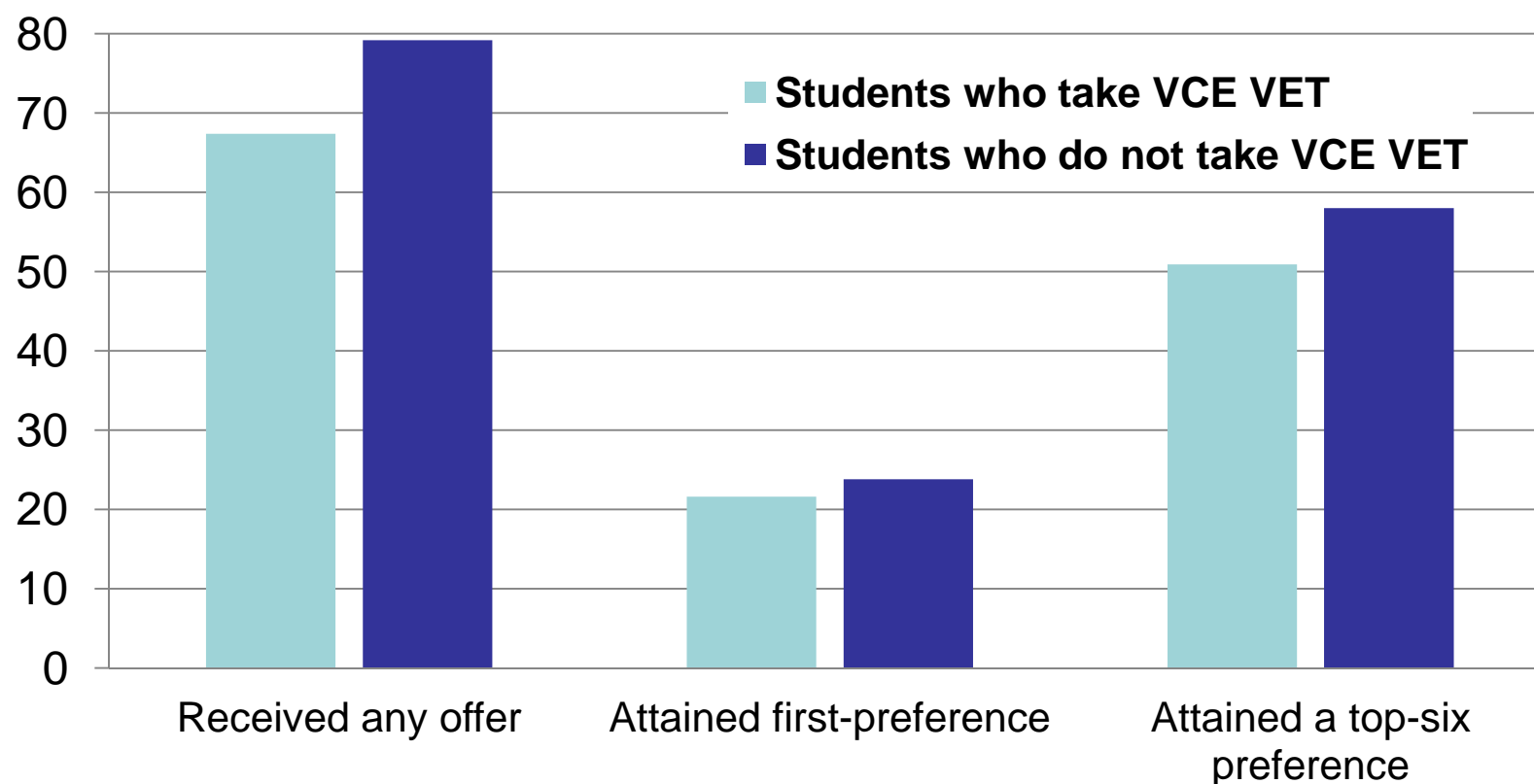
Results – explaining the effect

**Average subject contribution to study score (out of 50)
among university applicants who complete Year 12 in 2011**



Results – effect on university access

Average proportion of university applicants who complete Year 12 in 2011 who attain a university offer



Implications

- Results suggest that the existing scaling approach may not adequately deal with the unique nature of VCE VET
- There are a range of possible responses
 - Adopt the NSW model - VCE VET students 'opt-in' to receive a score rather than having to 'opt-out'
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- In terms of things that matter for outcomes policy can only affect a portion of that; a large share is up to the individual
- VET is asked to serve many different objectives; Sometimes one comes at the expense of another. Be prepared for that.