Making sense of total VET activity: an initial market analysis

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About the research

Making sense of total VET activity: an initial market analysis

Alison Anlezark and Paul Foley, National Centre for Vocational Education Research

Following the successful first national publication of total vocational education and training (VET) activity and presentation of various informative data products, NCVER has continued to undertake further analysis of the submitted data. This paper is the first in a suite of NCVER authored papers that seek to better explain and explore the data in depth.

This paper examines and compares the differences between past VET activity data (pre-2014) reported as *Government-funded students and courses* and the new expanded data reported as *Total VET students and courses*. It focuses on the information not previously collected, namely data submissions from training providers new to the National VET Provider Collection. In particular, it includes preliminary analysis and reasoned comparisons between the VET activity reported by TAFE providers and private training providers. The conclusions show the extent of similarity in training output across providers, but also highlight areas of notable diversity of the national training market between TAFE and private training providers.

Total VET students and courses only reports on 2014 VET activity and represents a 'start up' and transition year, with some providers being exempt in the first year and some data not available; as a result, the paper has important caveats that should not be overlooked. Future collections and reports will expand on this preliminary analysis.

Further related papers on topics such as the training provider market structure and use of different national training qualifications are forthcoming.

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Executive summary

The National Vocational Education and Training (VET) Provider Collection has been managed by the National Centre for Vocational Education Research (NCVER) on behalf of the Commonwealth, state and territory governments since 1994. Historically, this collection covered the training activity of key onshore Australian government-funded providers — primarily TAFE (technical and further education) institutes and private providers in receipt of government funds.[1]

In 2015, the collection was expanded to cover all Australian training providers, and was termed 'total VET activity' (TVA). This National VET Provider Collection, with a now broader scope, provides a more comprehensive picture of accredited training[2] across the whole Australian VET sector; it covers the accredited vocational education and training delivered by Australian training providers including TAFE institutes, private training providers, community education providers, universities, schools and enterprise providers.

The first reporting of total VET activity doubles the number of VET students that were reported undertaking government-funded training activity in 2014. This information is invaluable for policy-makers, training providers, researchers and those interested in measuring how VET is contributing to Australia's skills base.

This paper is structured in four main sections. First, it explains the rationale for establishing a more comprehensive picture of Australia's VET system. It then examines the outcomes of the first collection of total VET activity data, analysing the completeness of 2014 training activity and highlighting the new information this broader collection brings. The paper goes on to explore whether there are any significant differences between the reported training activity of private training providers and TAFE institutes in terms of mix of courses, student enrolments and completions. The paper concludes with some future directions for an improved evidence base for VET policy.

The total VET market, as collected in 2014, comprised 4601 training providers delivering 818.2 million hours of training to 3.9 million students. When compared with the previous reported training activity, which was limited to key public providers (primarily TAFE) and private training providers in receipt of government funds, this adds 2.1 million students from an additional 2530 training providers to the National VET Provider Collection. Most of the additional accredited training activity was reported by private and enterprise training providers, and off-shore training reported by TAFEs.

The submission of 2014 training activity in 2015 was a new process for many registered training organisations (RTOs). Taking into account the exemptions granted to RTOs in this first year of collection, and training providers who did not deliver training in 2014, it is estimated that the 2014 total VET data captured information from 76% of all providers on the national training register, rising to 93% if excluding

1 Government-funded training is broadly defined as all activity delivered by key government providers (predominantly TAFE institutes) and government-funded activity delivered by community education and private training providers, in accord with the scope definition in place for the 2014 National VET Provider Collection, and as reported in NCVER's *Government-funded students and courses* publication (NCVER, 2015a). It does not include all forms of government-funded training; for example, the majority of activity delivered by schools. This scope is currently under review and is subject to future change.

2 Accredited training is a program of study that leads to vocational qualifications and credentials that are recognised across Australia. Accredited programs of study have been endorsed by either national or state/territory registering/accrediting organisations or a delegated authorised body. Accredited programs of study include endorsed training package qualifications, nationally and locally accredited courses and nationally and locally accredited skill sets and units of competency.

exempt providers and those who did not deliver any training in 2014. Future collections will indicate whether or not the significance of training activity from these non-reporting training providers is material to the National VET Provider Collection.

Across all training providers, 14.1% have more than 1000 students and are categorised as large training providers, 45.1% are medium-sized, and 40.8% are small providers, with fewer than 100 students. While the majority of students (80.4%) study with the larger training providers, of which TAFE is the main provider, the student profile appears similar across the previously scoped government-funded and now more broader scoped National VET Provider Collection (although the large amount of missing demographic data means that this is somewhat inconclusive).

There are few differences in student characteristics between those reported in Government-funded students and courses 2014 and Total VET students and courses 2014, although the former includes a slightly higher proportion of students who are female, under 25 years old and from lower socioeconomic backgrounds. However, due to the proportion of 'missing student demographic data' in this first reporting of total VET activity, any comparisons on Indigeneity, disability status or location are inconclusive, despite the provision of VET being widespread across Australia.

A more reliable comparison can be made between types of training providers. With reported total VET activity we find: fewer students per training provider (an average of 849 compared with 864 in government-funded training); shorter courses (an average of 209 hours per student compared with 306 hours in government-funded training); and a narrower training scope (on average of 7.0 subject enrolments per student compared with 8.9 in government-funded training). What this first collection and its analysis highlights is the complexity of the national VET market: there is a heterogeneous mix of training providers funded from an array of sources delivering training to some 3.9 million students annually, with about 35% of Australian training delivered outside the metropolitan areas.

TAFE institutes deliver a very similar profile of training when compared with private training providers, but with some noted differences. While the student base appears in aggregate to be mostly the same, there are niche markets that are catered for by the diverse range of training providers. For example, TAFE is delivering more training in the engineering and related technologies (trades) area, while private training providers dominate the health training market. While management and commerce is proportionally the most popular area of study for both TAFE and private training provider students, there are more health (including health therapies, nutrition and occupational health and safety licensing training) and society and culture (including policing, transport, logistics, security, languages and music) subject enrolments delivered by private training providers than TAFE institutes.

The similarity in much of the profile is explained by the fact that government-funded training is not restricted to TAFE providers with 31% of enterprise enrolments, 35% of private training enrolments and 64% of community education provider enrolments reported to the government-funded VET collection. In addition, there were 190 300 students reported separately by schools in the 2014 total VET data, almost all of which were government-funded.

Future reporting of VET activity will provide a more complete picture of the national training market and thus, a stronger evidence-based policy framework, which will, for example, enable an evaluation of the outputs and performance of VET providers in the national market, and inform different state-based VET funding models operating across Australia. More accurate and complete training information will help governments to better understand the skills of Australians, make the best use of available funding, and help answer key questions on equity, efficiency and effectiveness. Students and employers will have more information to help them make informed choices about their training options, while training providers will have more information to help them better understand their markets and assist with business planning. A more comprehensive total VET data set will also make it possible to better understand the international VET market.

Information on VET activity will be strengthened with the introduction of the unique student identifier (USI) in 2015, which will enable students to access information from a single authoritative source. This will help students keep track of their qualifications and training as they upskill and reskill throughout their career. It will also establish the basis for better analysis by government to support the allocation of training funds, leading to improved accountability and transparency (Australian Government 2012a). It could also provide a mechanism for linking data collections; for example, the VET FEE-HELP[3] market could be better understood through linkage with the total VET data to provide a richer set of evidence on students who access VET FEE-HELP, their educational backgrounds, their outcomes and the characteristics of their training providers.[4]

3 VET FEE-HELP is an Australian Government loan scheme to assist eligible fee paying students undertaking higher education courses, at approved providers, with paying their tuition fees.

4 Noting the issues raised in 'Redesigning VET FEE-HELP' discussion paper (Australian Government 2016).

Introduction

Partial VET activity data significantly impacts on the capacity of the national collection to be an authoritative and complete evidence base for policy and funding decisions, for informing choice and business decisions — whether for consumers of the system, or governments — and for supporting the regulation of the sector and thereby its quality and reputation.

TVA Regulation Impact Statement, June 2012[5]

Vocational education and training plays a critical role in raising Australia's productivity. In 2014—15, the Australian Government and state and territory governments were estimated to provide $5.9 billion in funding for subsidised vocational education training, the majority (70%) of which came from the states and territories (Australian Department of the Prime Minister and Cabinet 2014). The national VET administrative collections and surveys provide one key mechanism of accountability for this training expenditure.

The main national VET administrative collection is the National VET Provider Collection, of which the National Centre for Vocational Education Research (NCVER) is the custodian.[6] First fully implemented in 1994, this national VET collection has provided a picture of students studying with key government-funded providers and private training providers in receipt of government funds,[7] along with their training and outcomes.

This collection served the sector well until the rapid expansion of the private training market that followed the reforms of the late 1990s, resulting in a training market for which there was only partial information because it was limited to government-funded training. Since this expansion, there has been growing interest in the unreported, predominantly private training provider, VET market. In 2003, Harris, Simons and McCarthy (2006) examined the nature of the private training market from a sample of 330 private training providers, concluding that they were a diverse group (including enterprise training providers, community education providers, industry organisations and commercial enterprises) delivering predominantly short courses. Harris and his colleagues estimated that the private training market in 2003 comprised around 2.2 million students (+/-10%), which was more than the number of government-funded VET students at that time (1.7 million).

In 2011, Karmel (2011) argued that a more comprehensive data collection was required for better public policy decision-making, quality assurance and more informed consumers and training providers. Karmel argued that governments required good-quality information on the level of education being attained to make resource allocation decisions. Quality assurance processes require sound quality data, which was foreseen as becoming increasingly important as the sector moved to a demand-driven funding model. Karmel also noted that students, their parents and employers required good-quality information on course provision and student outcomes to make informed decisions about where to spend their training dollar; such information was also useful to training providers for business planning and market intelligence.

In April 2012, the Council of Australian Governments (COAG) endorsed a number of ambitious VET reforms under the Skills for All Australians policy (Australian Government 2012a), which aimed to improve opportunities for Australians to acquire skills for a decent job.

5 Total VET activity Regulation Impact Problem Statement (TVA RIS), June 2012.
6 On behalf of the Commonwealth, state and territory governments.
7 The scope was initially government providers (including TAFE institutes and adult and community education providers), but in 1997 it was extended to private providers in receipt of public funds.

Skills for All Australians committed to:

- introducing a national training entitlement funding model
- extending the VET-FEE HELP scheme to a broader range of qualifications
- ensuring validated assessment
- improving information provision about the VET market.[8]

Both the training entitlement model and improved information provision required a broader scope for the National VET Provider Collection. The government termed this broader, more complete picture as 'total VET activity'.

In June 2012, the Regulation Impact Statement for total VET activity (Australian Government 2012b) echoed Karmel's earlier views, stating that the collection of partial VET activity significantly impacted on the capacity of the National VET Provider Collection to be an authoritative and complete evidence base for policy and funding decisions and for informing choice and business decisions. Subsequently, COAG endorsed the expansion of the national VET collection, implemented by mandated reporting of accredited VET by all registered training providers.

NCVER continued to work with the Commonwealth and state governments to prepare for total VET activity. In 2012—13, the then Ministerial Council endorsed a framework for total VET activity, and the associated newly formed VET regulatory standards were drafted (Standing Council on Tertiary Education, Skills and Employment [SCOTESE] 2013) to be overseen by the recently established national VET Regulator (Australian Skills Quality Authority [ASQA[9]]). At the same time, NCVER built new infrastructure to collect, store and support a broader National VET Provider Collection.

Total VET activity became effective from 1 January 2014 and was facilitated and supported through agreements and legislation including:

- the Intergovernmental Agreement (IGA) for Regulatory Reform of VET, transitioning state regulatory powers to the Commonwealth (ASQA)[10]
- the new Standards for Registered Training Organisations (RTOs) 2015, which came into effect from 1 January 2015 (and from 1 April 2015 for existing RTOs)
- amendments to the Data Provision Requirements 2012, under the *National Vocational Education and Training Regulator Act 2011*.

The Data Provision Requirements enforce the collection (at least annually) of AVETMISS-compliant data[11] for all accredited training, from all training providers irrespective of funding arrangements. The national VET data standard (AVETMISS) for the National VET Provider Collection assures data consistency and quality and covers students, their training and their outcomes.

8 From 2009, the Council of Australian Governments also committed to introducing a unique student identifier (USI), which would support funding entitlement models, and provide students and their training providers with a VET transcript service. With the collection of VET data for the USI transcript service sourced from the national VET collection, the USI scheme also requires a more complete national VET collection.

9 The Australian Skills Quality Authority was established on 1 July 2011.

10 Excluding Victoria and Western Australia who did not refer their regulatory powers to the Commonwealth.

11 AVETMISS is the Australian Vocational Education and Training Management Information Statistical Standard.

A number of transition arrangements were established to ease training providers into the collection of total VET activity, which included financial assistance for training providers new to this report arrangement to upgrade business processes or systems or undertake training, and some full and partial reporting exemptions.[12]

Scope considerations

In 2015, NCVER released two publications and a number of associated products and services compiled from the submission of 2014 annual VET activity reported by all Australian training providers in 2015:

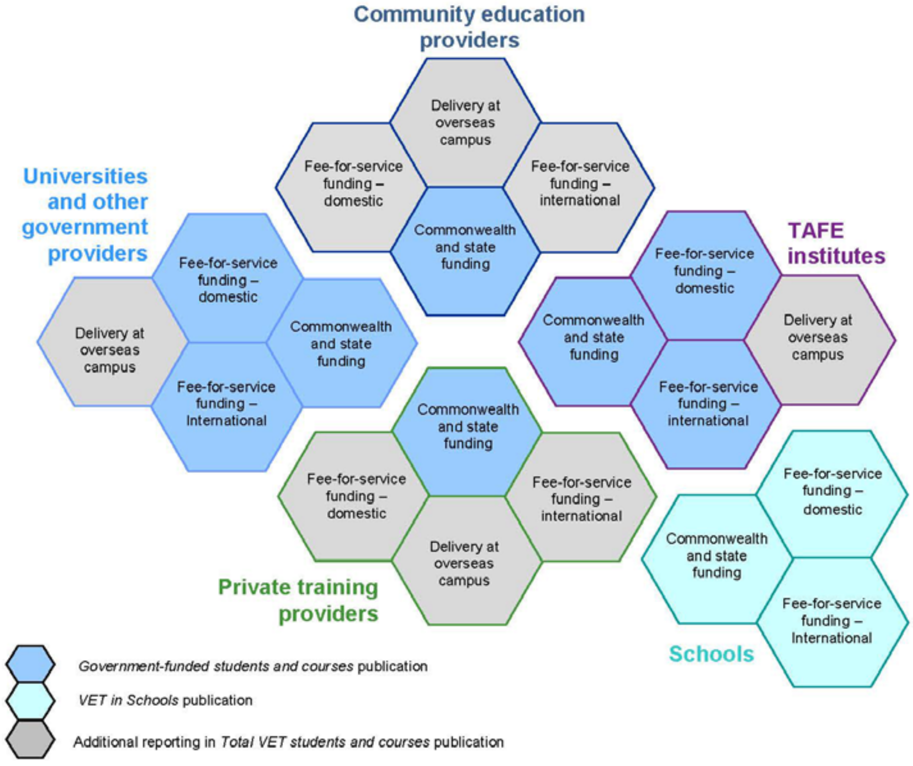
- *Government-funded students and courses 2014* (NCVER 2015a)
- *Total VET students and courses 2014* (NCVER 2015b).

A separate publication was also produced on data submitted to the National VET in Schools Collection:

- *VET in Schools 2014* (NCVER 2015c).

There are distinct differences in the data reported in these publications, which are outlined as follows, and summarised in figure 1.

Figure 1 The scope of *Government-funded students and courses* (refer footnote[1]) in the context of total VET students and courses[13]



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

12 In 2013, training providers who had not previously submitted data to the 2012 national VET or VET in Schools collections were provided with a $1000 non-competitive grant to assist their preparation for meeting the new reporting requirements (for example purchasing or upgrading their student management systems). In addition, a 12-month grace period was made available, exempting RTOs from the first year (2014 VET data reported in 2015) of reporting. A series of reporting exemptions were also granted for national security and defence training activity, enterprise RTOs and very short courses, as well as reduced student demographic reporting for vital emergency service training.

13 Diagram depicts predominant reporting source, noting that there may be some instances where reported funding source and provider type overlap.

Government-funded students and courses

The *Government-funded students and courses* publication (denoted in blue in figure 1) covered the majority of Australia's government-funded VET system, which is broadly defined as activity delivered by key government providers such as TAFE institutes and government-funded activity delivered by community education and private training providers (refer footnote[1]).

The data are sourced from the administrative records held by the state training authorities and other relevant bodies. In 2015, the data covered accredited training reported by 2701 Australian government-funded training providers.

Total VET students and courses

The *Total VET students and courses* publication (NCVER 2015b) provided the first estimate of all accredited vocational education and training delivered by Australian training providers in both domestic and overseas locations.

In 2015, the data covered accredited training reported by 4601 Australian providers, including registered and non-registered training organisations (such as community education providers and some schools).

VET in Schools

NCVER has administered the National VET in Schools Collection since 2005. The scope of this collection, as reported in NCVER's *VET in Schools 2014* publication, covers students undertaking Australian Qualifications Framework (AQF)-level VET qualifications as part of their senior secondary certificate. These activities have been ratified and reported by jurisdictional boards of studies. In 2014, there were 247 200 VET in Schools students reported in this manner (NCVER 2015c).

In addition, a small number of students (48 000) were reported in *Government-funded students and courses publication,* but not included in the *VET in Schools* publication because the training activity was not part of a senior secondary school certificate (but was government funded).

As part of the 2014 total VET activity data, some 190 300 students (NCVER 2015b) were reported to the collection by schools. However, not all VET in Schools activity is delivered by schools; how it is delivered and by whom are variable across the jurisdictions. For example, in Queensland a large number of schools are also RTOs, while many of the other states and territories make greater use of auspicing arrangements with TAFE institutes and other training providers delivering training to their senior secondary school students (Nguyen 2010). Therefore, the number of students reported by schools in total VET activity is lower than that reported in the *VET in Schools* publication (with a tighter definition): in reported total VET activity, VET in Schools students are reported by different training organisations, including, but not limited to, schools.

However, the number of school students reported in 2014 total VET activity (using the AVETMISS[14] 'at school flag') is significantly larger, reporting 455 500 students as being at school at the time of their training. This highlights the complexity of reporting VET in Schools students by different means.[15] With many school students having part-time jobs that require some degree of training (if only for occupational

14 AVETMISS (the Australian VET Management Information Statistical Standard) defines the data elements collected in the national VET collections.

15 NCVER is working with stakeholders to ensure that the scope and definition of the VET in Schools Collection is fit for purpose.

health and safety and licensing purposes), it is not surprising that this number is significantly larger than the number of students reported in the more formal definition of VET in Schools, or for those whose training takes place within a school.

The 2014 Australian VET market

This section seeks to explore the first collection of total VET activity, analysing the completeness of 2014 training activity and highlighting the new information this broader collection brings.

National VET Provider Collection

From 1 January 2014, all training providers delivering accredited training, except those exempted by regulators, were required to report VET data directly to NCVER or via state training authorities under the authority of the Data Provision Requirements. The data submission window for the collection of 2014 training activity opened on 5 January 2015, and although data submissions were due by 27 February 2015 for direct submission and 31 March 2015 for submission via state training authorities, the collection was not finalised until 26 June 2015.

Training providers

The national training register <training.gov.au> provides information on all registered training organisations (RTOs). There were 4989 RTOs who were registered and active during 2014 and who would be expected to submit data to the 2014 National VET Provider Collection. However, there were a number of reasons why an RTO could legitimately not submit data; these include those with reporting exemptions, those who did not deliver any nationally recognised training in 2014 (despite having a current registration), and those who were no longer operating at the time of data submission.

In the transition year, it was estimated that of the 4989 RTOs[16] who were active during 2014:

- 76% reported data on their accredited training
- 11% were exempt from reporting or closed their operations during 2014 and did not report data
- 5% had informed their regulator that they had no enrolment activity during 2014 or their activity was out of scope of the Total VET Activity publication
- 7% of those who were eligible did not report accredited training (NCVER 2015b).

Table 1 provides more detail, but by way of a simple interpretation, if considering all non-exempt training providers, the 2014 collection of total VET activity is 93% complete. If considering all active training providers, it is 76% complete. When de-duplicated, total VET activity in 2014 covered training information from 4601 training providers.[17]

16 As sourced from <training.gov.au> in September 2014.

17 This includes 786 non-registered training providers that are primarily comprised of community education providers and schools that are involved in the delivery of government-funded VET.

Table 1 Training organisations reporting data to the 2014 National VET Provider Collection (total VET activity)

	Registered training organisations[1]		Non-registered training organisations	Total training organisations
	Number	%	Number	Number
Submitted[2]	3 815	76	786	4 601
Exempt or closed and did not submit	565	11	na	565
Nil returns (estimated)[3]	255	5	na	255
Missing (did not submit)	354	7	na	354
Total	**4 989**	**100**	**na**	**na**

Notes: 1 Listed on <training.gov.au> (TGA) in 2014.

2 Based on RTOs with enrolments in total VET activity scope of reporting.

3 This represents RTOs who had informed their regulator that they had no enrolment activity during 2014 and a small number of RTOs that reported training activity that was not within NCVER's total VET publication scope.

na not available.

Provider size and spread in the 2014 VET market

The 4601 training providers reported a total of 3.9 million VET students (averaging 849 students per training provider), but the market shows very wide dispersion by provider type grouped by number of students.[18]

Table 2 Training organisations by type and size, 2014 (total VET activity)

Provider size	TAFE	University	School	Community education provider	Enterprise provider	Private training provider	Total	% by provider size
Large providers (1000+ students)	56	6	13	47	24	504	650	14.1
Medium providers (100–999 students)	1	6	416	229	79	1 344	2 075	45.1
Small providers (<100 students)	0	3	531	220	106	1 016	1 876	40.8
Total	**57**	**15**	**960**	**496**	**209**	**2 864**	**4 601**	**100.0**
% by provider type	1.2	0.3	20.9	10.8	4.5	62.2	100.0	
Avg. no students	19 577	5 575	211	384	434	812	849	

Across all training providers, 14.1% have more than 1000 students and are categorised as large training providers, 45.1% are medium-sized, and 40.8% are small providers with fewer than 100 students. All TAFE providers, with one exception, were large providers. Private training providers are spread across the provider size groups, with 17.6% classified as large providers, 46.9% medium-sized, and 35.4% as small training providers.

By provider size, while private training providers comprise 62.2% of all providers, they comprise a lesser proportion of the small training market (54.2%). Schools and community education providers comprise 28.3% and 11.7% respectively of the small training provider market delivering accredited VET in 2014.

TAFE institutes have the largest average number of students (19 577), followed by universities (5575) and private training providers (812). Schools (210), community education (384) and enterprise providers (434) have, on average, fewer students studying accredited training.

18 Defined here to mean: Small provider <100 students; medium provider 100 to 999 students; larger provider 1000 students or more.

Table 3 2014 VET students by training provider type and size[19]

	TAFE	University	School	Community education provider	Enterprise provider	Private training provider	Total	Students
Large providers	1 115 200	80 700	84 200	104 400	59 300	1 779 900	3 223 600	80.4
Medium providers	700	2 800	97 800	76 400	28 000	507 900	713 600	17.8
Small providers	0	200	20 400	9 700	3 500	37 400	71 300	1.8
Total	1 115 900	83 600	202 400	190 500	90 800	2 325 200	4 008 500	100.0

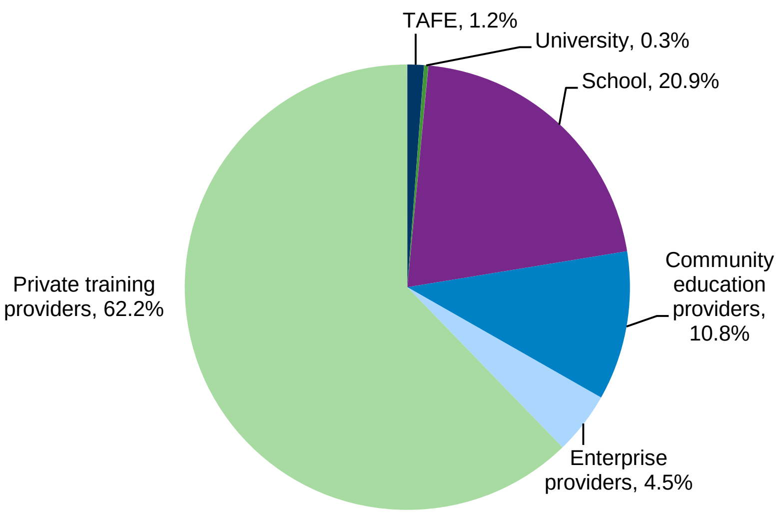
Notes: 1 Data by training provider counts all activity at training providers and is not adjusted when students attend two or more training providers. Consequently, the total number of students by training providers (4 008 500 students) exceeds the number published in *Total VET students and courses 2015* (3 908 000 students).

Table 3 highlights that 80.4% of students were training with the 650 large training providers and 17.8% at the 2075 medium training providers. Relatively few students (<2%) trained at the 1876 small providers (table 2).

Training provider type

Figure 2 summarises the submission of accredited data to the 2014 National VET Provider Collection by provider type. It highlights the diversity of accredited VET delivered by Australian training providers, including the 57 TAFE institutes that comprise 1.2% of all training providers, private training providers (62.2%), community education providers (10.8%), universities (0.3%), schools (20.9%) and enterprise providers (4.5%).

Figure 2 Types of training providers that reported data on accredited training delivered in 2014 to the National VET Provider Collection (total number = 4601)



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

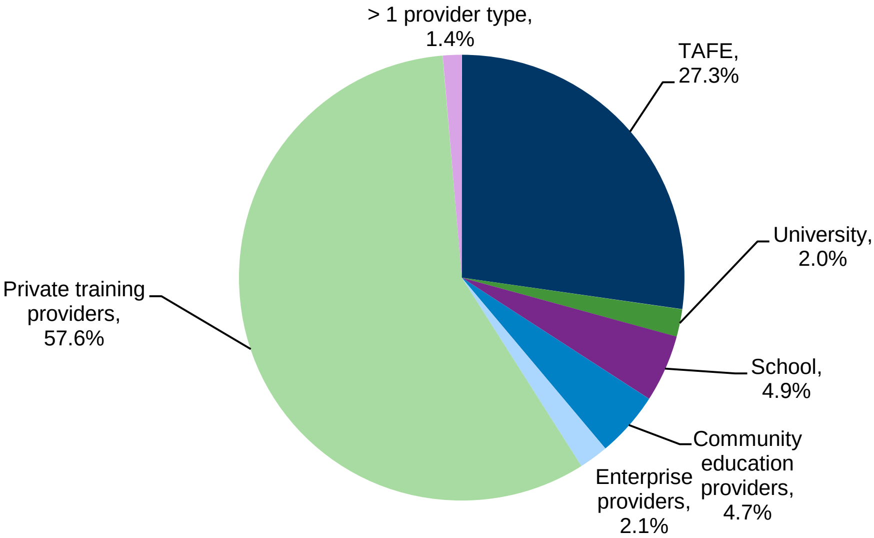
19 Sum of students is more than 3.9 million as some students train at more than one provider type

VET students

In 2014, there were 3.9 million[20] students enrolled in training at 4601 Australian providers. When analysing training delivery by number of students, rather than training provider type, figure 3 illustrates that training was delivered to:

- 2 252 900 students (57.6%) at private training providers
- 1 065 600 students (27.3%) at TAFE institutes
- 190 300 students (4.9%) at schools
- 185 100 students (4.7%) at community education providers
- 78 000 students (2.0%) at universities
- 82 800 students (2.1%) at enterprise training providers
- 53 400 students (1.4%) at more than one provider type.

Figure 3 Proportion of students enrolled in accredited training with 4601 Australian providers, 2014



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Participation rate by state of student residence

Of the 3.9 million students reported to be undertaking VET in 2014, 3.6 million (92.8%) were Australian residents aged 15–64 years. If divided by the Australian population of 15-64 year olds, estimated to be 15.6 million persons, this gives a participation rate of 23.3%, from which it can be deduced that almost one in four of the Australian working aged (15–64 year old) population undertook some VET activity in 2014.

20 2014 total VET activity included data from 0.127 million international students (3.2% of all students); 0.969 million were studying in Australia, and 0.298 million at overseas locations. Some 3.781 million (96.8%) of the 2014 total VET students were domestic students.

Table 4 15 to 64-year-old Australian VET participation rates by state of student residence

	15 to 64-year-olds		
State	**VET students (000's)**	**Population (000's)**	**Participation rate (%)**
NSW	976.4	4 944.0	19.7
Vic.	928.2	3 905.0	23.8
Qld.	812.8	3 126.2	26.0
SA	231.3	1 100.4	21.0
WA	377.7	1 747.3	21.6
Tas.	76.1	328.6	23.2
NT	52.7	174.5	30.2
ACT	57.0	268.1	21.3
Australia	**3 626.9**[21]	**15 596.4**	**23.3**

Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Participation rates vary considerably across Australia, with the Northern Territory having the highest VET participation rate (30.2%), and NSW the lowest (19.7%). Reasons for this variation relate to supply and demand factors. Supply factors include competition from universities (at higher qualification levels), and targeted training incentives/funding, while demand factors include local labour market conditions, course/provider availability, and population demographics. In this first year of a broader scoped national VET collection, the unknown quality of data could affect participation rates.

21 Total by state does not sum to Australia total because it excludes students whose state of residence is unknown.

Comparative analysis

From the previous VET provider collection, which was limited to the training activity of key government-funded providers and private training providers in receipt of government funds, we knew about the training delivered by 2701 training providers to 1.8 million students (NCVER 2015a). We now have a more complete picture of the training delivered by Australian training providers. From the 4601 training providers that reported data on training delivered in 2014, we now know that 3.9 million students were undertaking some form of VET in 2014 (NCVER 2015b).

Table 5 Comparison of training activity reported in *Government-funded students and courses* and *Total VET students and courses*, 2014[22]

Characteristic	Government-funded students and courses[1]	VET in Schools	Total VET students and courses	Approximate additionality[2,3]
Number				
Students	1 789 100	247 200	3 908 000	1 927 200
Program enrolments	2 121 700	388 100	3 581 000	1 153 700
Subject enrolments	15 876 700	3 238 000	27 514 400	9 030 900
Hours of delivery	546 926 400	71 882 300	818 186 400	219 897 100
Training providers[4]	2 071	1 784	4 601	1 454
Average per provider				
Students per provider	864	139	849	1 325
Program enrolments per training provider	1 024	218	778	793
Subject enrolments per training provider	7 666	1 815	5 980	6 211
Hours delivered per training provider	264 088	40 293	177 828	151 236
Average per student				
Program enrolments per student	1.2	1.6	0.9	0.6
Subject enrolments per student	8.9	13.1	7.0	4.7
Avg. no. hours per student	305.7	290.8	209.4	114.1

Notes:1 In accord with the scope definition, this includes about 1.4 million government-subsidised students and 0.4 million fee-for-service students at public providers. It does not include all forms of government-funded training, including the majority of activity delivered by schools.

2 Excludes data that has been reported more than once by the same training provider in different collections. Consequently, the additionality numbers are greater than the sum of *Total VET students and courses* less *Government-funded students and courses* less *VET in Schools*.

3 The number of training providers is a distinct count for each collection. As some training providers have submitted to more than one collection, the numbers for each separate component do not sum to the TVA total.

Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Table 5 provides a summary comparison of 2014 data reported in *Government-funded students and courses*, *VET in Schools* and *Total VET students and courses*, and also includes the additional reporting in 2014 total VET activity.

Total VET activity has nearly doubled the previously-reported VET activity in terms of student numbers, taking the total VET market close to four million students. It also reported 3.6 million program enrolments, 27.5 million subject enrolments and 818.2 million hours of training delivery. Total VET activity reported an additional 1.2 million program enrolments and 9.0 million subject enrolments from an extra 1454 training providers than previously reported in *Government-funded students and courses* and *VET in Schools.*

Figure 4 shows the sources of this additionality, reported in *Total VET students and courses 2014* (NCVER 2015b) compared with that reported in *Government-funded students and courses 2014* (NCVER 2015a).

22 Totals are as quoted in relevant publications, but may not sum due to rounding.

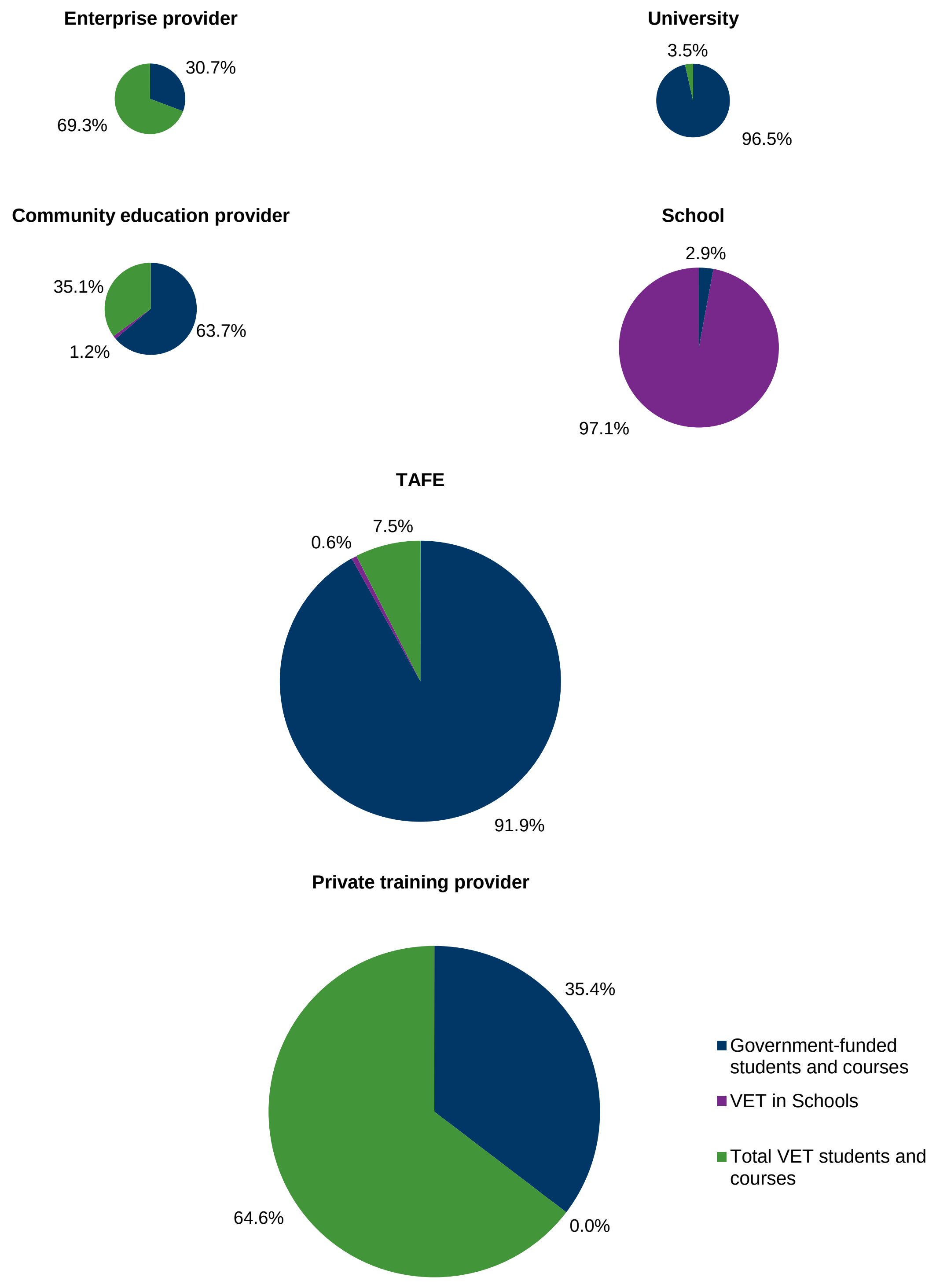
The ‘additionality’ is dominantly, as expected, by fee-for-service activity conducted by private training providers (8.8 million subject enrolments) as well as additional activity by TAFEs (717 100 subject enrolments, which was predominantly overseas fee-for-service delivery) and fee-for-service activity delivered by enterprise RTOs (396 800 subject enrolments).

There was almost complete coverage of training activity (measured as enrolments) previously reported by TAFE institutes in *Government-funded students and courses 2014*. Figure 4 highlights that 30.7% of enterprise training provider enrolments, 35.4% of private training provider enrolments and 63.7% of community education provider enrolments were also previously reported in *Government-funded students and courses 2014*, demonstrating that government-funded training is not restricted to TAFE institutes.

It also shows that the majority (97.1%) of 2014 training activity delivered by schools was previously reported to the VET in Schools Collection, as was a small proportion of activity from community education providers (1.2%) and TAFEs (0.6%).

Previously reported government-funded subject enrolment activity comprised 57.8% of total VET subject enrolment activity. While an additional one-third of training providers reported in TVA (table 5), their training quantum was proportionally smaller than previously reported government-funded training, averaging fewer students, training fewer hours in fewer programs. This has a flow-on impact on reported total VET activity, with training providers in the total VET market on average providing training to slightly fewer students (averaging 849 students per provider), in shorter programs (averaging 209.4 hours per student) and across a narrower range of delivery (averaging 778 program enrolments per training provider). By comparison, reported government-funded training averaged 864 students per provider and delivered on average 305.7 hours of training per student and across an average of 1024 program enrolments per training provider.

Figure 4 Subject enrolments by training provider type and reporting scope, 2014

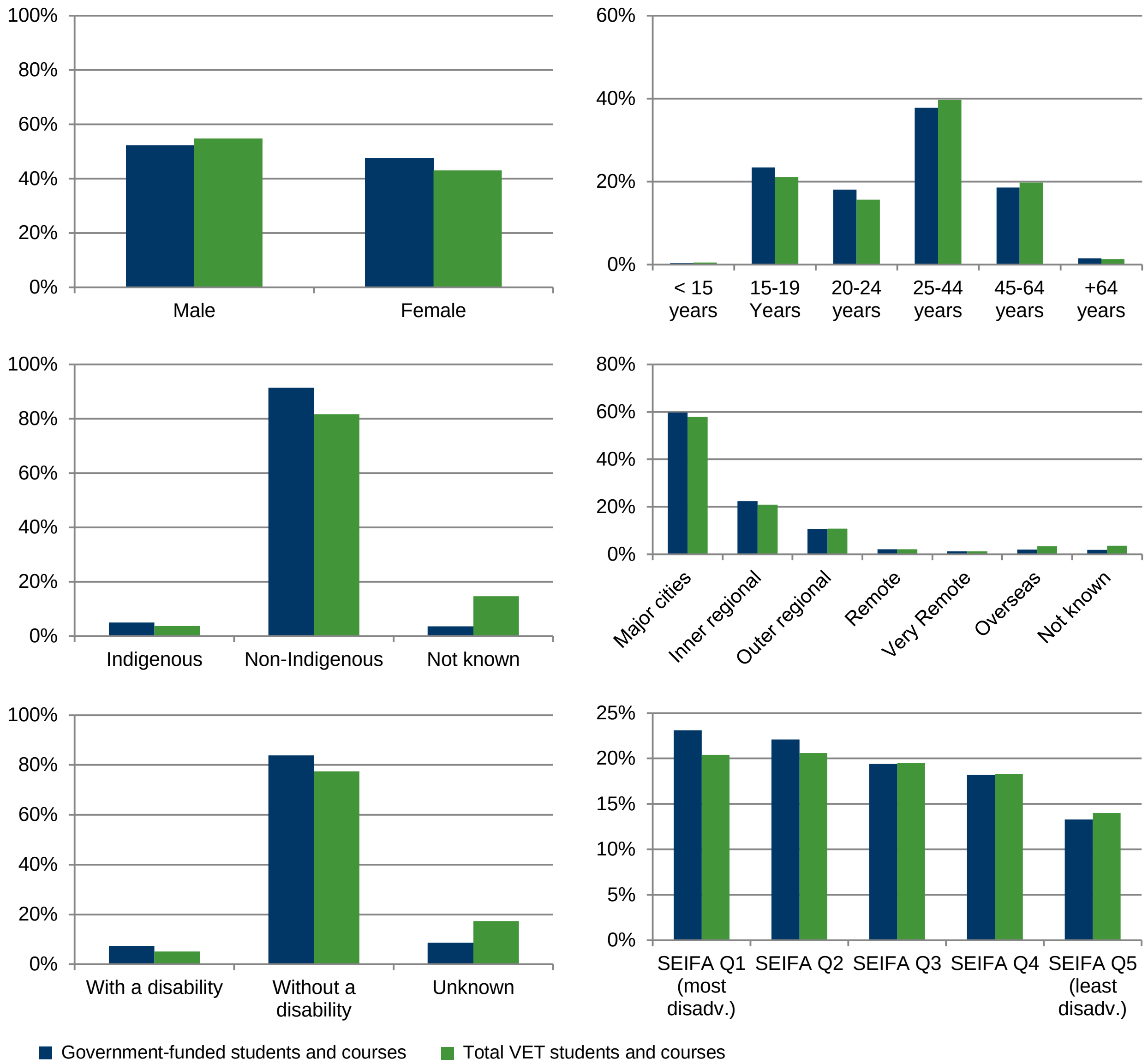


The size of pie charts is proportional to the number of subject enrolments.

Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Figure 5 compares the characteristics of the 1.8 million 2014 VET students reported in the *Government-funded students and courses publication 2014* (NCVER 2015a), with the 3.9 million 2014 VET students reported in *Total VET students and courses 2014* (NCVER 2015b).

Figure 5 Comparison between 2014 student characteristics reported in *Government-funded students and courses* and in *Total VET students and courses*



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Figure 5 shows little difference in aggregate student characteristics, although the proportion of 'missing data' with unknown student characteristics is higher for the reported total VET activity. However, it does show that a slightly higher proportion of government-funded students is female, under 25 years old, and come from predominantly lower socioeconomic backgrounds. As a result, it is difficult to be conclusive about where students live and their disability or Indigenous status because of the high proportion of missing data in the total VET data.

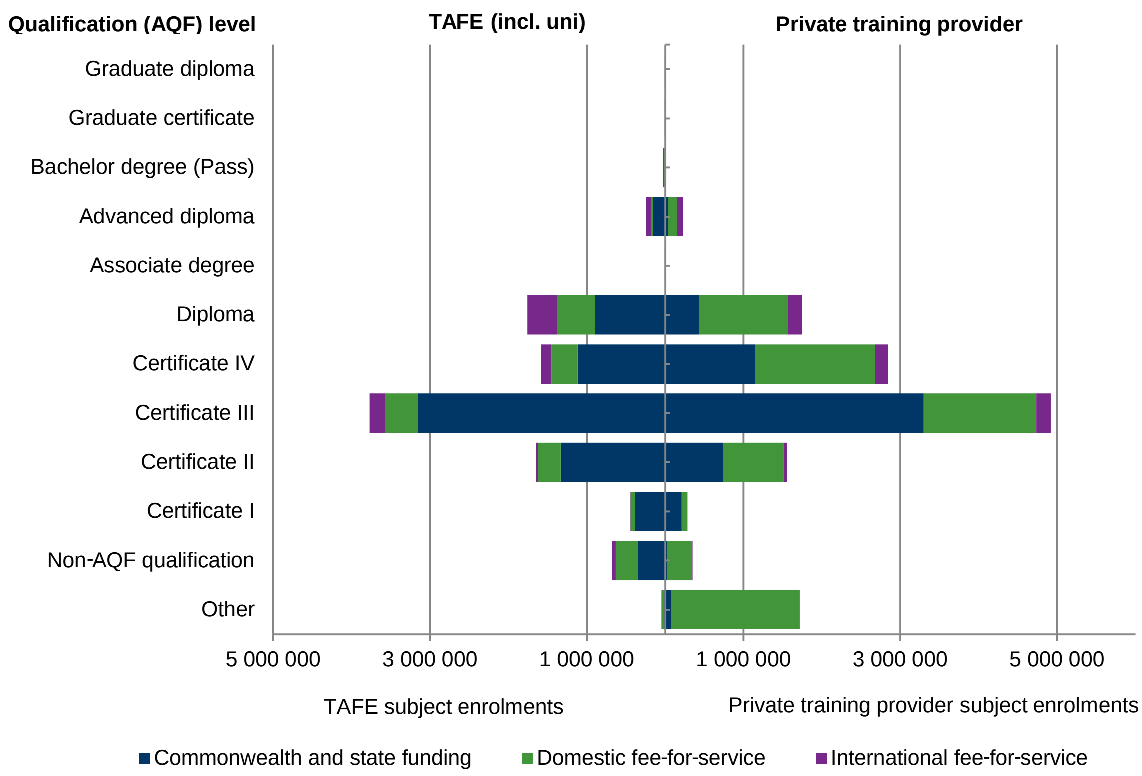
Contrasting TAFE with private training providers

The following section compares the training activity of TAFE providers (including a small proportion of activity from universities to capture dual sector delivery[23]) with that of private training providers. It does not include training activity from other providers included in total VET activity such as community education providers, enterprise providers and schools. Figures 6 and 7 compare the 10.2 million subject enrolments delivered by TAFE providers (including universities)[24] reported in *Total VET activity students and courses 2014* (NCVER 2015b) with the 13.6 million subject enrolments delivered by private training providers by program level and field of education.

Program Australian Qualifications Framework level

Figure 6 shows the distribution of training by qualification level displayed by subject funding source[25] as categorised in the national VET data standard (AVETMISS).

Figure 6 Subject enrolments by program level (AQF), funding source and organisation type, 2014



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

23 In total VET activity there were 9.5 million subject enrolments at TAFE, 675 500 at universities (6.6% of combined TAFE/university subject enrolments), and 13.6 million subject enrolments at private providers.

24 Hereby referred to in this section of the document as TAFE, noting that it also includes a small proportion of university activity.

25 Funding source is defined as Commonwealth and state-funded (includes state entitlement funding and government programs such as Workplace English Language and Literacy (WELL) Program funding, and fee-for-service, differentiated by domestic and international students.

Both TAFE and private training providers deliver a similar pattern across the spectrum of qualification levels, with the majority of training delivered at certificate III level. Of note, there is considerably more ‘other’ training[26] delivered by private training providers than by TAFE. This greater proportion of ‘other’ training activity accords with a general smaller quantum of training delivery noted in *Total VET activity students and courses 2014* (NCVER 2015b). Within the scope of total VET activity, training is delivered to international students by both TAFE and private training providers, with TAFE delivering a greater share of higher-level qualifications (such as diploma level qualifications) to international students.

As anticipated, the majority of TAFE training is government-funded (Commonwealth and state), but figure 6 also highlights that, particularly for certificate III level, over half of the qualifications delivered by private training providers are also government-funded. Figure 6 also shows that private training providers deliver more ‘fee-for-service’ training than TAFE across diplomas to certificate II levels.

Note that VET FEE-HELP students would be included in total VET students studying at diploma level and higher (and a small number of certificate IV students[27]), but they cannot be identified by funding source.[28] Based on 2014 published VET FEE-HELP data (Australian Government Department of Education and Training 2015), there were 217 270 course enrolments[29] being undertaken by 202 800 students who took out VET FEE-HELP loans. An interpretation of NCVER (NCVER 2015b) and Department of Education and Training data (Australian Department of Education and Training 2015) shows, in summary, that the national VET market in 2014 for diploma and above was 492 000 program enrolments; 251 000 of these programs were eligible under the VET FEE-HELP program and 217 300 were VET FEE-HELP assisted.

Field of education

Figure 7 shows the distribution of training by field of education, again displayed by subject enrolment funding source for TAFE and private training providers. The field of management and commerce is the most popular area of training, with training delivered by a mix of training providers, funded from a range of sources.

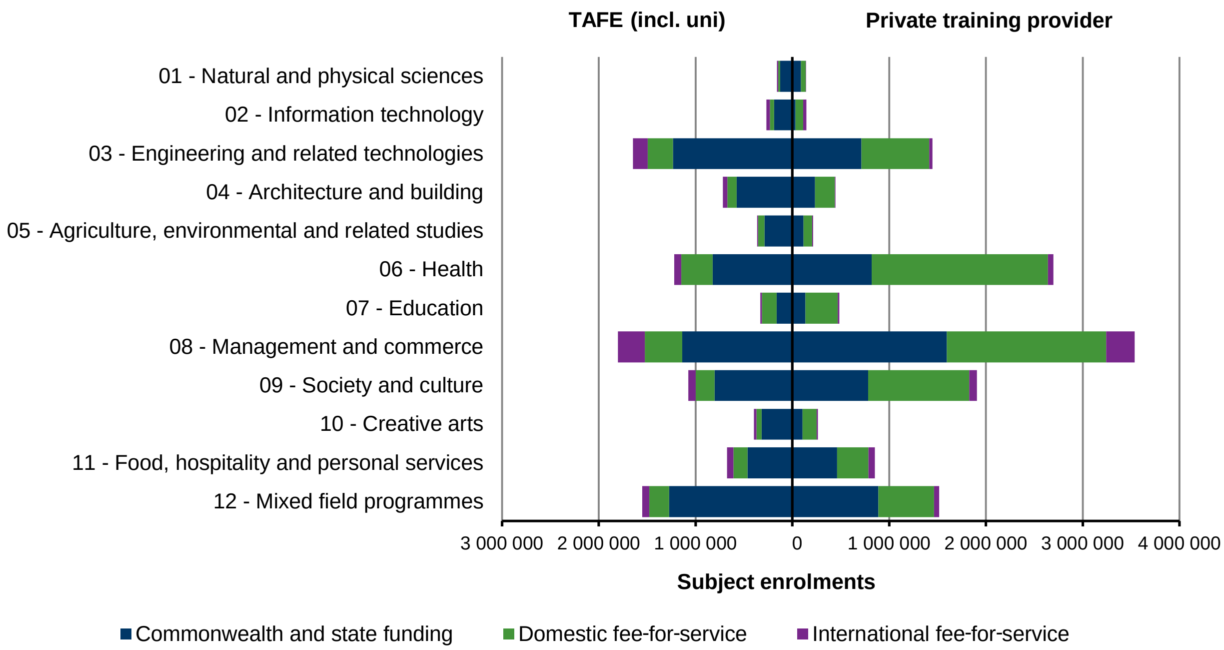
26 ‘Other’ includes: school-level attainment (Year 10, 11 or 12), non-award courses, statements of attainment, bridging and enabling courses, not elsewhere classified, and subject-only.

27 Also includes certificate IV level qualifications for a trial period in some jurisdictions.

28 Activity undertaken with VET FEE-HELP assistance may appear as either Commonwealth/state funding or fee-for-service (domestic) in total VET activity data as it is not possible to directly identify VET FEE-HELP assisted activity by funding source.

29 Course enrolments in the VET FEE-HELP collection are equivalent to program enrolments in the National VET Provider Collection.

Figure 7 Subject enrolments by field of education, funding source and organisation type, 2014



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

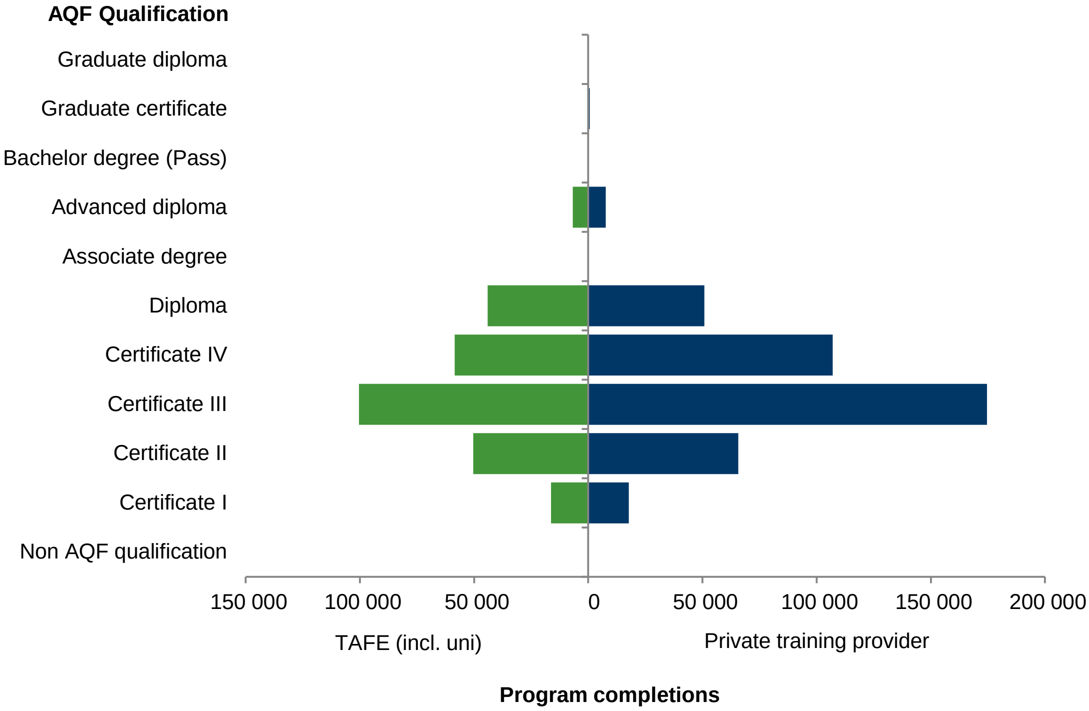
TAFE providers appear to be delivering a similar profile of training, although the increase in engineering and related technologies, and architecture and building subject enrolments at TAFE suggests that TAFE is delivering more of the longer and more expensive course delivery. In contrast, there are more management and commerce (more frequently classroom-delivered), health, and society and culture subject enrolments in the private training market. This could also reflect the influence of funding entitlement models (Bowman & McKenna 2016), with more government funding directed at perceived skills shortages in the traditional trade areas, which are typically more costly to deliver (engineering and related technologies, and architecture and building).

As seen in figure 7, private training providers also conduct a large quantum of government-funded training, especially in the management and commerce field. The majority of training in the health field (including occupational health and safety courses) is fee-for-service training, although most is delivered by private training providers rather than by TAFE. Figure 7 also demonstrates that there is a substantial quantum of fee-for-service training in the society and culture field of education, which covers a wide range of courses from sports coaching, children's services, justice and languages to security and logistics. It is important to note here that a higher volume of subject enrolments does not necessarily represent a higher volume of government funding.

Program completions

Figure 8 compares program completions for the 277 100 TAFE enrolments with the 424 400 private training provider enrolments by qualification level, as reported for the 2014 calendar year. These data are not completion rates, simply the number of completions reported for the 2014 calendar year, noting that program completions reported in a given year may have commenced in prior years (for example, many apprenticeships take 3–4 years to complete).

Figure 8 Preliminary[30] program completions by qualification level and organisation type, 2014



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Figure 8 highlights that both TAFEs and private training providers have a similar distribution of reported completions, with the majority occurring at the certificate III level, and fewer at advanced diploma and certificate I levels.

There are almost twice as many completions at certificate levels III and IV by students who train with private training providers when compared with those who train at TAFE providers.

A possible explanation for this may relate to the value placed by the student on training that is unsubsidised. Alternatively, it may relate to the nature of the training. As noted in figure 7, much of the training delivered by private training providers is in the health sector, which may correlate to training that is a job requirement and hence more likely to be completed. The relative performance across providers in the national market across qualification levels and fields of education must await further years of data in subsequent collections in order to properly explore questions of this kind.

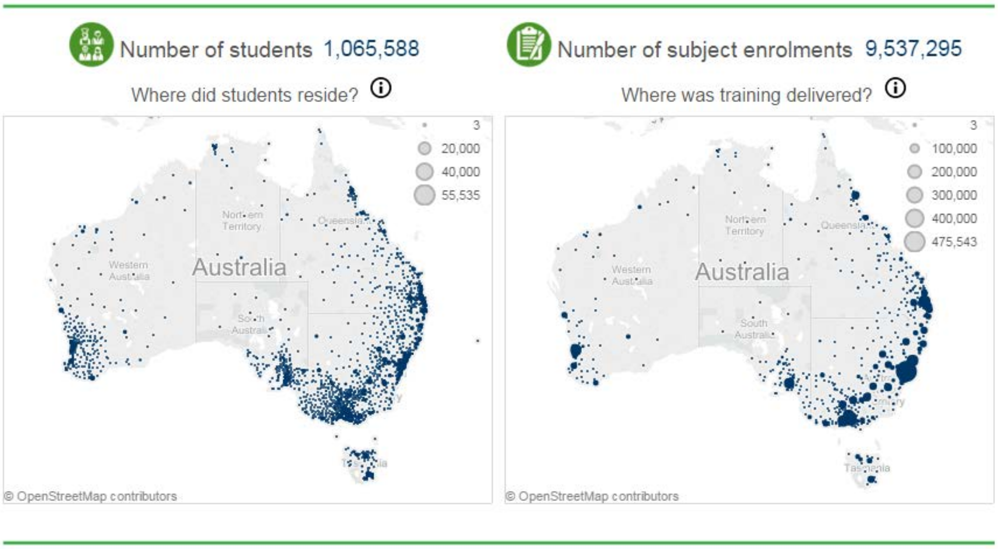
Training delivery by region

Figure 9 summarises training provision by geographic location and training provider type. From the maps it is evident that, while almost 60% of training occurs in the metropolitan regions of Australia (figure 5), the provision of training outside the metropolitan regions is not restricted to TAFE delivery. Of note, training outside the metropolitan area is delivered by a myriad of training providers, including community education providers, schools and enterprise RTOs.

30 These are preliminary because they may be revised upwards pending subsequent data submissions as students complete their training.

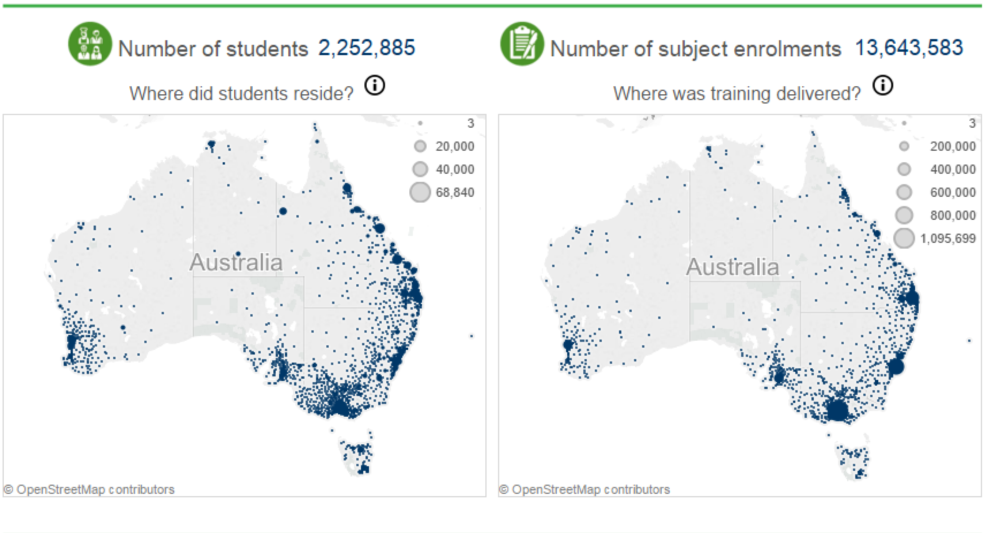
Figure 9 2014 total VET activity by geographical location by selected training provider type

TAFE



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Private training provider



Source: National VET Provider Collection, 2014; National VET in Schools Collection, 2014

Discussion

This first reporting of total VET activity has enriched our current knowledge of the VET market by providing information drawn from a collection that now has a now broader scope. While incomplete, with only 76% of all 2014 RTOs, or 93% of all non-exempt (or nil activity) 2014 RTOs submitting to the 2014 VET collection, it provides a better picture of the Australian VET market than was previously available.

By provider size, while private training providers comprise 62.2% of all providers, they comprise proportionally less of the small training market (54.2%). Schools and community education providers comprise 28.3% and 11.7% respectively of the small training provider market. While 58.3% of Australian training occurs in the metropolitan regions of Australia, the provision of training outside the metropolitan regions is not restricted to TAFE delivery.

A comparison between the training delivered by TAFE institutes with that of private training providers suggests that, while the student base appears in aggregate to be mostly the same, there are niche markets that are catered for by the diverse range of training providers. For example, TAFE is delivering more training in the engineering and related technologies (trades) area, while private training providers dominate the health training market. However, it appears there is space in the VET market for the myriad of different providers delivering across a broad range of courses.

Over time, a more complete picture of the national training market will provide for a stronger evidence-based policy framework, enabling an evaluation of the outputs and performance of VET providers in the national market and informing the different state-based VET funding models operating across Australia or better understanding the domestic international VET market. More accurate and complete training information will help governments to better understand the skills of Australians and make the best use of available funding, as well as answer key questions on equity, efficiency and effectiveness. In addition, students and employers will have more information to help them make informed choices about their training options, while training providers will have more information to help them better understand their markets and for business planning.

Information on VET activity will be strengthened with the introduction of the unique student identifier (USI) in 2015, which will enable students to access information from a single authoritative source. This will help students keep track of their qualifications and training as they upskill and reskill throughout their career. It will also establish the basis for better analysis by governments to support the allocation of training funds, leading to improved accountability and transparency (Australian Government 2012a). It could also provide a linking mechanism across data collections.

This paper highlights the complexity of national VET reporting, which stems from the history, intent and scope of national VET collections and publication suites. In the future, total VET activity will provide a more complete and less complicated picture of Australia's VET market.

Finally, being a first collection in a new series, at least three to four years of data must accumulate before more reliable assessments, such as the relative performance of different classes of providers in the VET market or of participation or completion rates can be made. This is in accord with the historic policy intent, to increase transparency of information about the VET market.

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