Victorian Training Market Report

Half year 2014

August 2014

Victorian Department of Education and Early Childhood Development

Contents

Executive summary

The Victorian training system has undergone sustained reform over the last 20 years. These changes have sought to increase participation, particularly for those unemployed or at risk of unemployment, and create better alignment between training and the skills needed in a service-oriented, knowledge-based economy.

Today the Victorian training system:

- Has the highest participation rate in Australia. 16.1 per cent of working age Victorians are in training, compared to the national average of 11.9 per cent.
- Reaches more students. There are 311,900 students enrolled in government subsidised training, 1 per cent more than the same time in 2013 and 44 per cent more than 2010.
- Supports more training in occupations and skills areas that are forecast to grow (in both employment share and output) between now and 2017-18. This training grew to 72 per cent in the first half of 2014 from 68 per cent in 2010.
- Creates more opportunities for students who will benefit most. There were 142,100 enrolments by learners who are Indigenous, culturally and linguistically diverse, unemployed or have a disability at Certificate III (or above) or in specialised or in shortage occupations. This is 20 per cent more than 2013 and 128 up per cent on 2010.
- Better supports regional Victoria. There are now 47 per cent more enrolments in regional Victoria in trades and other high-skill occupations than there were in 2010.
- Receives more funding for vocational education and training than any other jurisidiction.

Training for real jobs

Our training system continues to provide training that leads to real jobs and to adapt to the demand for more people with the skills and capabilities necessary in skilled occupations.

This is increasingly important because employment opportunities are changing as Victoria's economy becomes more service-oriented and knowledge-based, and we see that jobs in skilled occupations are growing at more than twice the rate of unskilled jobs.

A key measure of improvement of economic opportunities for Victorians is the proportion of the population that have a Certificate III or higher qualification, or who are employed in a skilled occupation. This is because this indicator measures the opportunity to gain skills for entry-level jobs, and it also captures how well the economy provides skilled job opportunities to people as a means of improving living standards and wellbeing.

In 2007, 65 per cent of the Victorians aged between 20 and 64 were employed in a skilled occupation or had a Certificate III or above. By 2013, this proportion had increased to 72 per cent, generally with year-on-year growth seen in the proportion for each of the five intervening years.

These economic changes mean that:

- Workers can no longer count on a job for life. Increasingly, workers will need to have the skills to move between employers, industries and occupations in response to changes in the job market.
- Even within those occupations that are forecast to grow, the mix and level of skills required by employers is changing. The need for routine skills is declining, and the demand for higher-level cognitive, analytical and interpersonal skills is growing.
- A Certificate III qualification is emerging as the minimum qualification needed to achieve a rewarding career.

Student outcomes from our training system continue to be strong. 77.3 per cent of Victorians who completed a VET qualification in 2012 report that their training is relevant to their current job. This is down slightly from 80.3 per cent of 2010 graduates, reflecting spikes in training activity during 2011 and 2012 not aligned to future skill needs.

Steps were taken during 2013 and 2014 to continue to align training to the needs of skilled occupations and to provide opportunities for students. In the first half of 2014 we saw that:

- 46 per cent of enrolments were in qualifications aligned to specialised or in shortage occupations, compared to 42 per cent in 2013 and 37 per cent in 2010.
- 63 per cent of vocational training was in the six industries forecast to grow through to 2017-18, compared to 62 per cent in 2013 and 60 per cent in 2010.
- There was a 12 per cent increase in enrolments in Certificate III or IV qualifications, with enrolments in these levels of qualification now representing 64 per cent of all government subsidised enrolments (up from 54 per cent in 2013 and 49 per cent in 2010).
- Apprenticeship enrolments have remained stable. However, there was a modest increase in enrolments in specialised or in shortage apprenticeships (28,800 enrolments up from 28,600 enrolments in the first half of 2013).

Expanding opportunities for students

Victoria has the highest rate of participation in training in Australia, with 16.1 per cent of working age Victorians participating in vocational training in 2013.

Victorian government subsidies have increased significantly since 2010 to support these higher levels of participation, in contrast to fairly stable levels of investment in other jurisdictions.

High levels of participation in vocational training have continued in the first half of 2014 with:

- 311,900 students enrolled in government subsidised training, 1 per cent more than the same time in 2013 and 44 per cent more than 2010.
- 378,000 government subsidised enrolments, 5 per cent fewer than in 2013 but 48 per cent more than in 2010, with enrolments in vocational courses (excluding Foundation courses) up by 8 per cent on 2013 and 38 per cent on 2010.

Regional participation in training has also increased:

- 78,800 regional students enrolled in government subsidised training, 17 per cent more than 2010 but marginally fewer (5 per cent down) than 2013.
- Training at Certificate III-IV levels in regional Victoria increased by 3 per cent in the first half of 2014 over the same period in 2013 and by 47 per cent on 2010.
- 79,200 enrolments in vocational courses (excluding Foundation courses) delivered in regional Victoria, 3 per cent more than in 2013 and 11 per cent more than in 2010.
- 62 per cent of enrolments in regional Victoria were in four of the top five highest employing industries.

Educational attainment is important to give people the opportunities, means, and ability to have a high standard of living. People with higher-level educational qualifications are more likely to be employed, and earn more than those without.

ABS data shows that 83 per cent of Australians aged 15-64 years with a Certificate III qualification or higher have a job, compared with only 57 per cent of unqualified early school leavers.

For people facing disadvantage and barriers to employment, vocational training can improve their job prospects. The number of Victorians who are undertaking training to help them overcome barriers to workforce participation continues to grow and in the first half of 2014 there were:

- 4 per cent more students in training than in 2013 from those areas of Victoria with the highest concentration of disadvantage. This is an increase of 62 per cent since 2010.
- 4,180 Indigenous students enrolled, 6 per cent more than in 2013 and 43 per cent more than in 2010.
- 89,000 unemployed students enrolled, 12 per cent more than in 2013 and 127 per cent more than in 2010.

- 28,400 students with a disability enrolled, 7 per cent more than in 2013 and 58 per cent more than in 2010.
- 94,200 Culturally and linguistically diverse students enrolled, 14 per cent more than in 2013 and 109 per cent more than in 2010.

Training delivered to these learners is becoming better targeted to their needs. In the first half of 2014:

- 142,100 government subsidised enrolments were either at Certificate III (or above) or in specialised or in shortage occupations. This is up by 20 per cent on 2013 and 128 per cent on 2010.
- 42 per cent of Foundation courses enrolments in 2014 were by students who were not at school and did not have at least Year 12 or a Certificate II. This is an increase from 34 per cent in 2013 and indicates that Foundation training is being better targeted.

Helping students and employers to make informed choices

Victoria's training providers are as diverse as the students and businesses they support. Students and businesses can choose from small and large community providers, private providers and public providers for their training. A decision on a provider is influenced by; the course on offer, student or employer preferences for a particular mode of delivery and additional services, as well as an understanding of cost and quality.

It is more important than ever for students to make informed decisions about training. At the end of June 2014, there were 499 contracted training providers delivering Victorian Training Guarantee (VTG) subsidised training. Since opening up the market, students have increasingly chosen to enrol in private Registered Training Organisations (RTOs), and private RTOs now deliver 57 per cent of subsidised training.

There is more support to individuals and employers to make informed decisions. Over 305,000 people have visited the Victorian Skills Gateway since it was launched in 2012 to provide information about training providers, training offerings, jobs and job prospects.

80,000 students and 11,000 employers are currently being surveyed to collect feedback on student outcomes and training provider performance. In future, performance information about every training provider offering government subsidies will be included on the Victorian Skills Gateway.

Better quality training and less red tape

As well as equipping students and employers to make informed choices, the Department has strengthened oversight of quality in the training market. Tougher entry to market criteria has resulted in a decrease in the number of contracted providers from 556 in 2012 to 499 at the end of June 2014.

The Department's robust contract compliance audit program has delivered 71 audits during 2013 and 2014. These audits covered over 80 per cent of funding and focused on areas of high risk which resulted in identification of $5.1 million in training funds to be reimbursed.

There are higher expectations for contracted providers to make sure the training is right for the student, delivered in the appropriate way and does not duplicate existing skills. Performance information collected through student and employer surveys will support stronger contract management and continuous quality improvement by contracted training providers.

At the same time, we have continued to support voluntary compliance and reduce red tape for high quality providers. In 2014, the Department introduced three-year contracts for providers with a strong record of contract performance and financial health.

Building modern, competitive TAFEs

TAFE institutes continue to be the major providers of government subsidised apprenticeship enrolments in Victoria – delivering 62 per cent of enrolments in the first six months of 2014. And due to their course mix, TAFE institutes received a greater share of government spending on training than their actual market share in 2013.

Government operating grants to TAFE institutes increased from $487 million in 2010 to $600 million in 2013.

Like other providers, the success of TAFE institutes will be dependent on their ability to maintain financial sustainability by attracting students and employers to their training programs.

To achieve this, TAFEs need:

- Strong governance and management.
- The capacity to attract students and employers with relevant and quality training offers.
- High quality financial and other business systems.
- Sophisticated market analysis and business intelligence tools.
- More efficient cost structures and asset bases and a sustainable scale.

Our TAFE institutes are at different stages of transformation as they adjust to open vocational training markets in their regions and sectors. While some TAFE institutes have adapted quickly, others are at an earlier point in their transformation.

Most TAFE institutes have taken actions to improve the efficiency of their operations, including through streamlining internal business processes, consolidating similar courses, and ensuring better alignment between employment and training delivery costs. This means that inefficiencies need not be passed on in higher student fees.

Some TAFE institutes increased their reliance on foundation skills training in 2012 and 2013. With funding for foundation skills training now targeted to learners with demonstrated need, those institutes have rebalanced their delivery this year. As a result TAFE enrolments in foundation training were down 68 per cent in the first half of 2014.

To improve their scale and competitiveness, four TAFEs sought approval from government to amalgamate and transform their businesses in the first half of 2014. Government approved amalgamations in Gippsland and along the Bendigo/Calder corridor. Government has allocated $120 million of structural adjustment funding across the sector to support these amalgamations and other adjustment programs at other institutes.

The Department will continue to work in partnership with TAFE institutes and support their transformations by:

- Helping TAFE institutes respond to student preferences and emerging market needs.
- Encouraging initiatives by TAFE institutes that enhance student experiences and outcomes.
- Encouraging greater operating efficiencies, by providing incentives for improved asset utilisation and more efficient cost structures.
- Supporting initiatives by TAFE institutes that improve their competitiveness, market share and financial sustainability (for example, by increasing economies of scale or diversifying income streams).
- Continuing to improve the performance reporting framework for TAFE institutes.

Data and sources

This Report includes key metrics, such as training delivery by funding source, qualification level, age of learners, learners facing barriers to participation and regional activity. An analysis of alignment to industry needs is also provided.

The main source of vocational training statistics in this publication is the training activity database referred to as Skills Victoria Training System (SVTS). Data included in the report are a snapshot in time and based on information reported by training providers to the Department. For TAFE Institutes, there is an additional regulatory requirement that they also submit their fee-for-service activity data. From 2015 all training providers, not just TAFEs, will be required to report their fee-for-service training activity and this data will be included in subsequent training market reports.

Half-year data between 2010 and 2014 are included to show longer-term trends. Generally percentage changes include the change from 2010, 2011, 2012, and 2013 to 2014.

Annual data included in this report may differ from data released by the National Centre for Vocational Education and Research (NCVER) due to the use of different business rules to ensure national consistency for reporting purposes. That data may be revised slightly prior to submission to the NCVER and by the NCVER itself.

Half-year figures for the current year are preliminary as the training activity is still in progress. Therefore these figures should be treated as indicative only. All data are subject to change until the end of the calendar year.

Special caveats and notes

- Rounding has been applied to all numbers documented in this report. However percentages were calculated from the original raw data and not the documented rounded figures in this report.
- Data presented in this report on the proportion of training in 'specialised' or 'in shortage' occupations relate to industry-aligned training only as the concepts do not apply to courses which do not have a direct vocational outcome (for example Foundation courses).
- Data reported on industry breakdowns only includes enrolments aligned to ANZSIC[1] industries; this excludes enrolments in Cross-industry e.g. human resources, project management etc. and other courses that cannot be readily assigned to one or more ANZIC industry category.
- To ensure a degree of consistency of "Foundation courses" across 2013 and 2014, any course that was identified in the Foundation skills list of courses whether in 2013 or 2014 is considered for the purposes of this report as a Foundation course.
- For the purposes of this report the term Learn Local is used interchangeably with Adult and Community Education (ACE). However, it should be noted that only Learn Local organisations report through to the Adult, Community and Further Education Board, ACE organisations are self-identified and are not required to report through to the Board. In 2014 there were a very small number of Learn Local organisations that self-identified to SVTS as private registered training organisations (RTO) and therefore are not included in the count of Learn Local organisations.
- The former dual sector TAFEs (i.e. delivered through a University) have been labelled as University throughout this report.

[1] Australian Bureau of Statistics - Australian and New Zealand Standard Industrial Classification (ANZSIC) (Cat no. 1292.0)

Introduction

Victoria's economy has changed and will continue to change

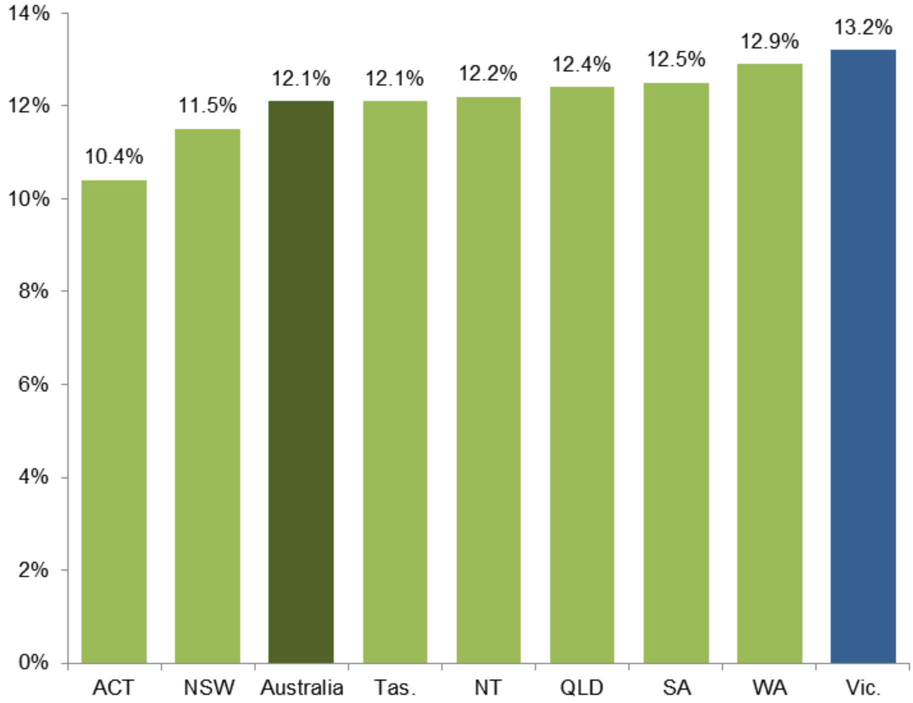
Over the past two decades, Victoria has experienced the fastest pace of structural change of all the Australian States and Territories.

The resources boom that substantially restructured the national economy has had a markedly different impact on Victoria than it did on the resource rich states of Western Australia and Queensland.

Over this time manufacturing's share of industry output has fallen from 17 per cent to 9 per cent, mining declined from 8 per cent to 2 per cent while agriculture's share has remained stable at around 3 per cent.

Over the 23 years from 1989–90 to 2012–13, the structure of the Victorian economy and labour force changed by 13.2 per cent, while the Australian Capital Territory experienced the lowest shift in industry composition of around 10 per cent.[2]

Figure 1, Structural change index: change between 1989-90 to 2012-13 *



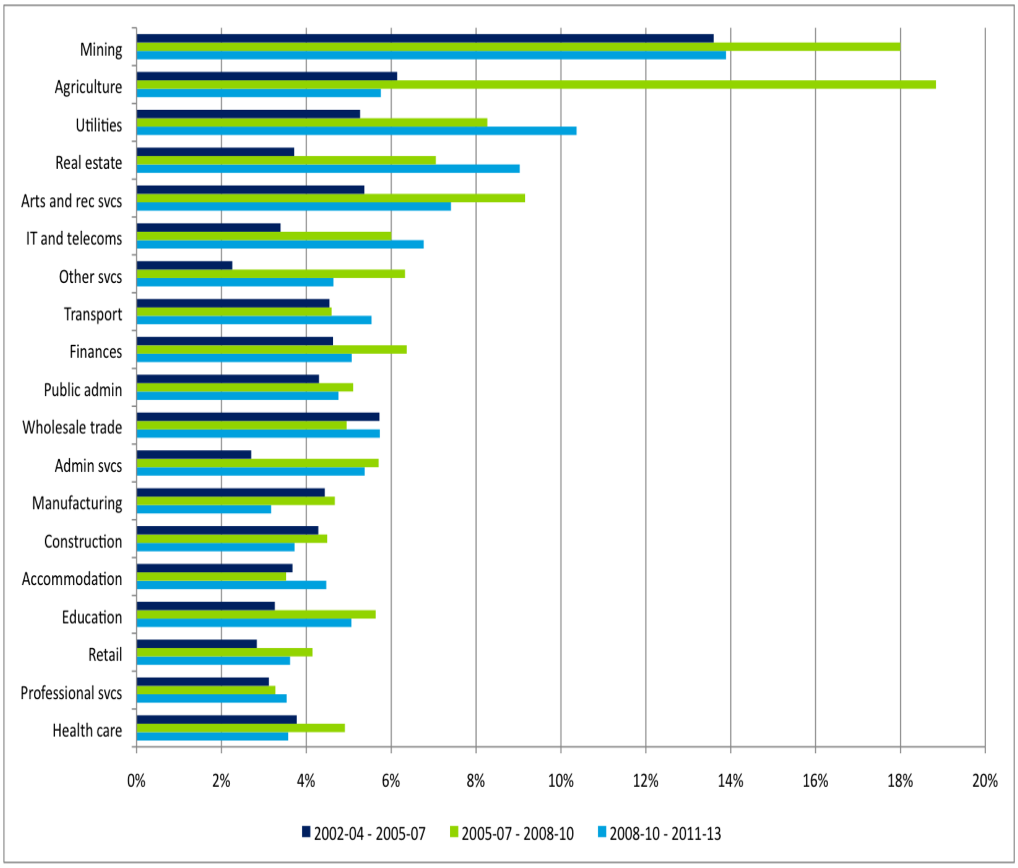
** The structural change index is calculated as the difference in employment by industry structure (averaged over five years) across 1989-90 compared with 2012-13.*

[2] Deloitte Access Economics (2014) Structural change and labour market trends in Victoria

Just as there has been considerable variability between the States and Territories, the same is true at the industry level. The figure below shows the structural change index over time for the 19 industry categories.

Many occupations and almost every sector of industry have been affected.

Figure 2, Structural change index over time, industries in Victoria*



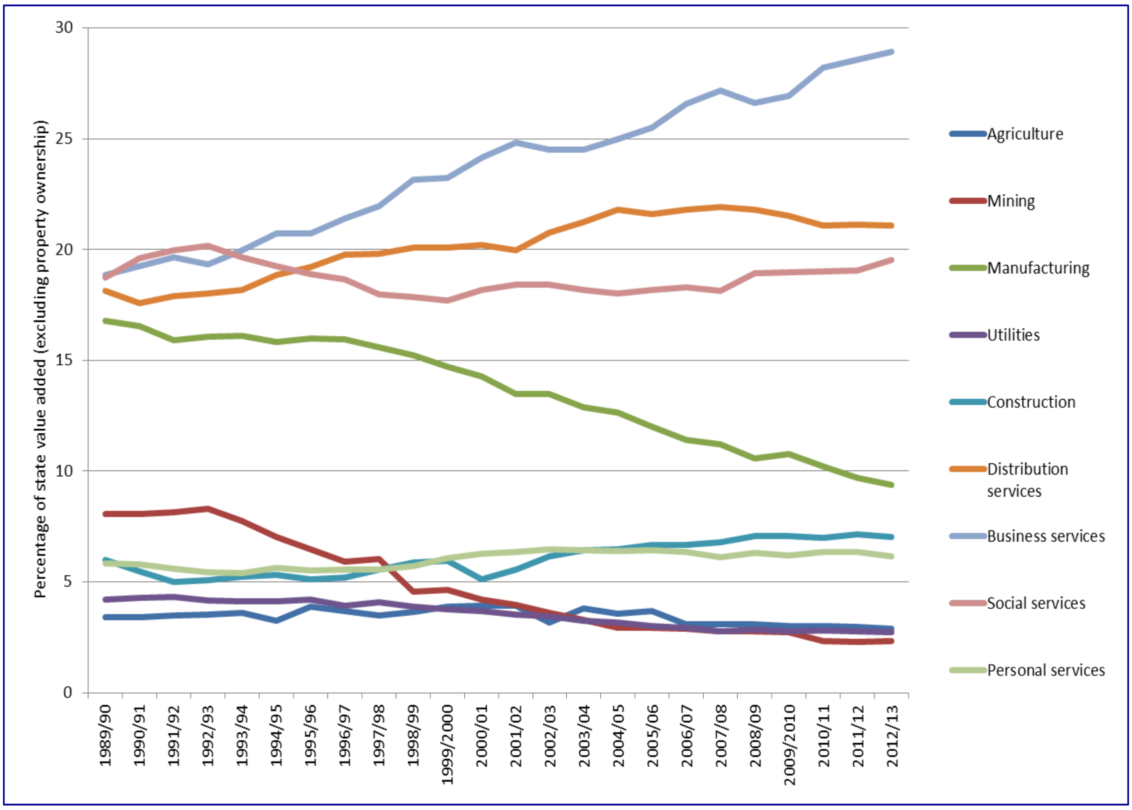
**Calculated as the difference in employment by Victorian Labour Force region structure (averaged over three years) between two time periods*.

Business services (including financial and insurance services and professional, scientific, and technical services) have grown substantially, increasing their share of state output (as measured by state value add) from 19 to 29 per cent.

Innovative Victorian businesses have increasingly turned their attention to opportunities arising from the economic emergence of Asia, especially in high value services such as health, international education and social support.

Those manufacturers and agricultural producers that continue to thrive in Victoria are those that move up the value chain, adopt advanced production practices and invest in skills and training.

Figure 3, change in industry composition of the Victorian economy 1989/90 to 2012/13

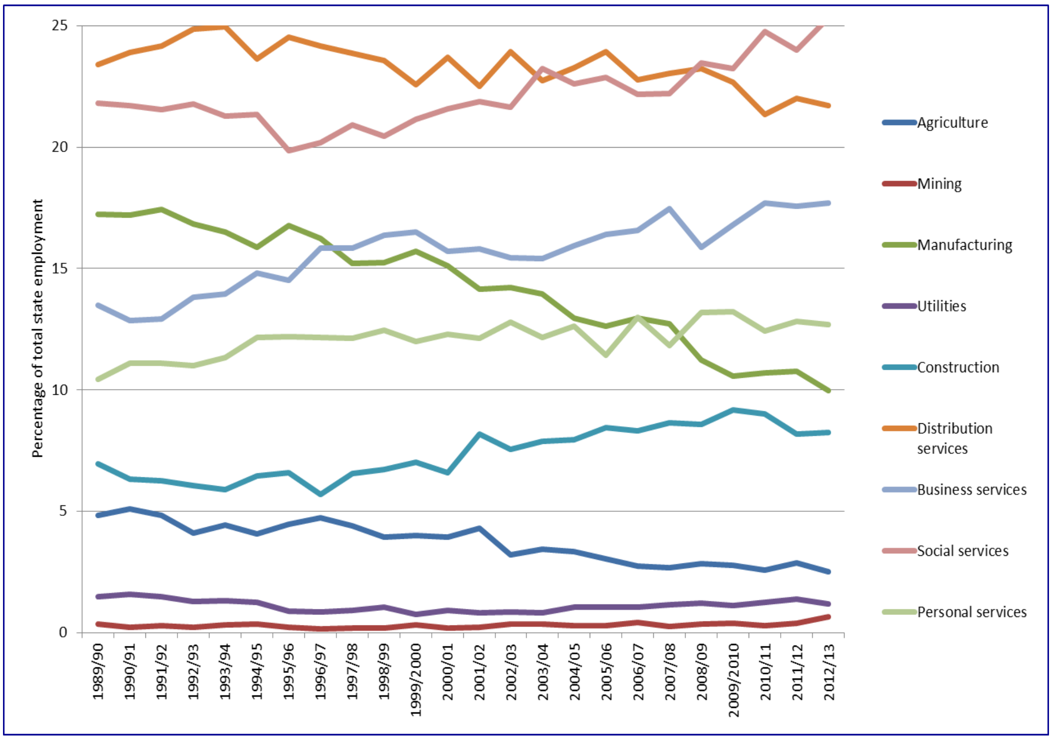


SOURCE: ABS 5520.0 State National Accounts

Employment shares have followed a similar pattern, with business services, social services and personal services all increasing in the past five years and the total share of manufacturing jobs and agricultural employment declining.

A third of net job losses in Victoria between 2006 and 2011 have come from secretaries, machine operations, managers, and livestock managers.

Figure 4, changes in the employment composition of the Victorian economy 1989/90 to 2012/13



SOURCE: ABS 9691.0.55.003 Labour Force Quarterly

On a more positive note, ABS data shows that economic opportunities have improved in Victoria over the past five years:

- Jobs in skilled occupations have grown at two and a half times the rate of unskilled jobs,[3]
- Employment in occupations with a high levels of science and maths skills are growing between two and four times faster than occupations with low or no science and maths skills.
- The proportion of Victorian workers building maths or science skills is increasing. Around 36.5 per cent of workers held a science or maths qualification in 2011, rising from 33.4 per cent in 2006.[4]

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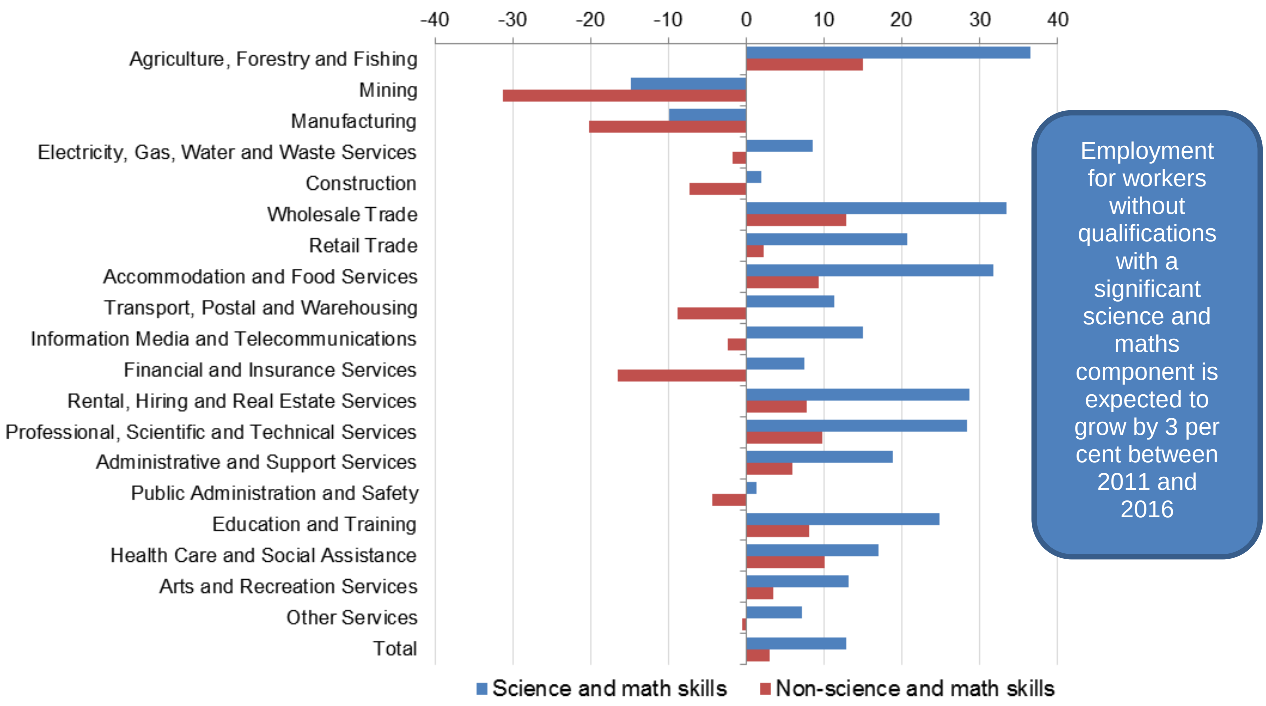
[3] Commonwealth of Australia (2012) Skills for Australians http://www.dpmc.gov.au/publications/skills_for_all_australians/chapter1_overview.html

[4] Elgin Economics (2014), Science and math skills in the Victorian workforce: The evidence base

Figure 5, Projected percentage growth rates for science and maths skills, 2011 to 2016



The shift towards greater science and maths capabilities in the workforce is highlighted in the chart above which shows significant decrease in employment prospects across half of the industry sectors for workers who do not have a science and maths field of study.

Over the next five years, growth in employment in Victoria is forecast to be in retailing, professional and technical services, administration, education and health services.

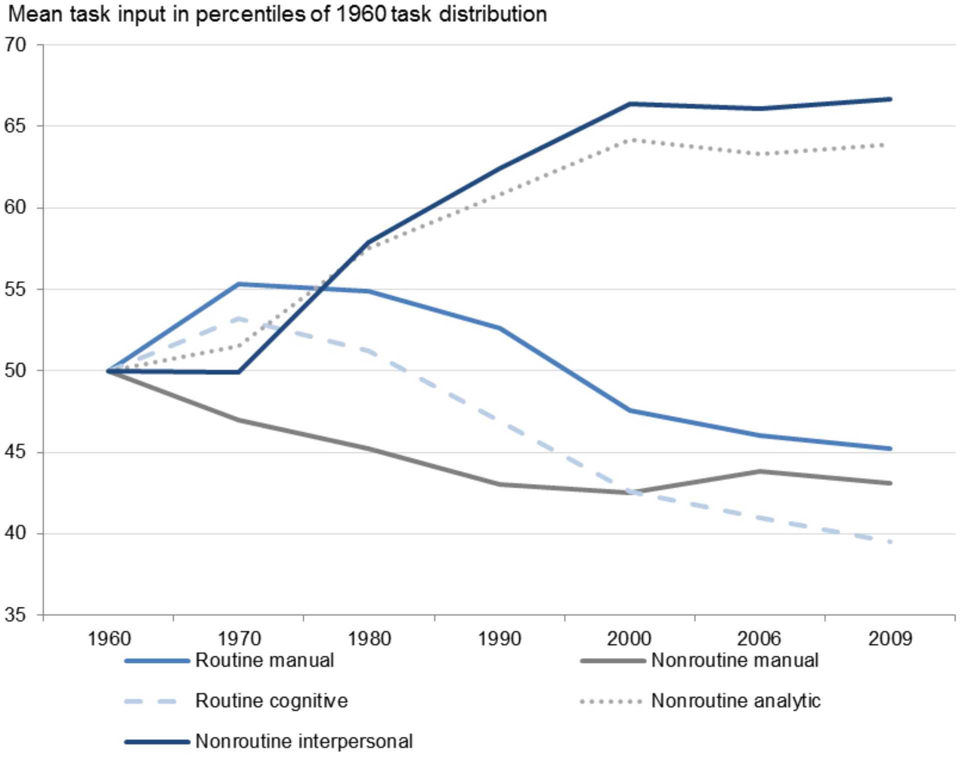
In the longer term, knowledge-based activities in advanced manufacturing, agriculture, information and communications technology and Victoria's service sector, together with international agricultural and service exports, are likely to drive job creation and output growth.

Even in those industries and occupations forecast to grow, the nature of jobs and the types of job skills required will continue to change. Disruptive technologies (particularly automation) are likely to impact a broader range of jobs such as transport and logistics occupations, office and administrative support workers, labour in production occupations, retail and construction.

Foundational skills will be important for all jobs. In Victoria, as in all developed economies, the need for routine cognitive and craft skills is declining, while demand is growing for higher level cognitive, analytical and interpersonal skills. Funding for foundation skills training is now highly targeted to learners with a demonstrated need.

Figure 6, Change in the demand for skills

Trends in routine and non-routine tasks in occupations, United States, 1960 to 2009



Source: OECD Skills Outlook 2013

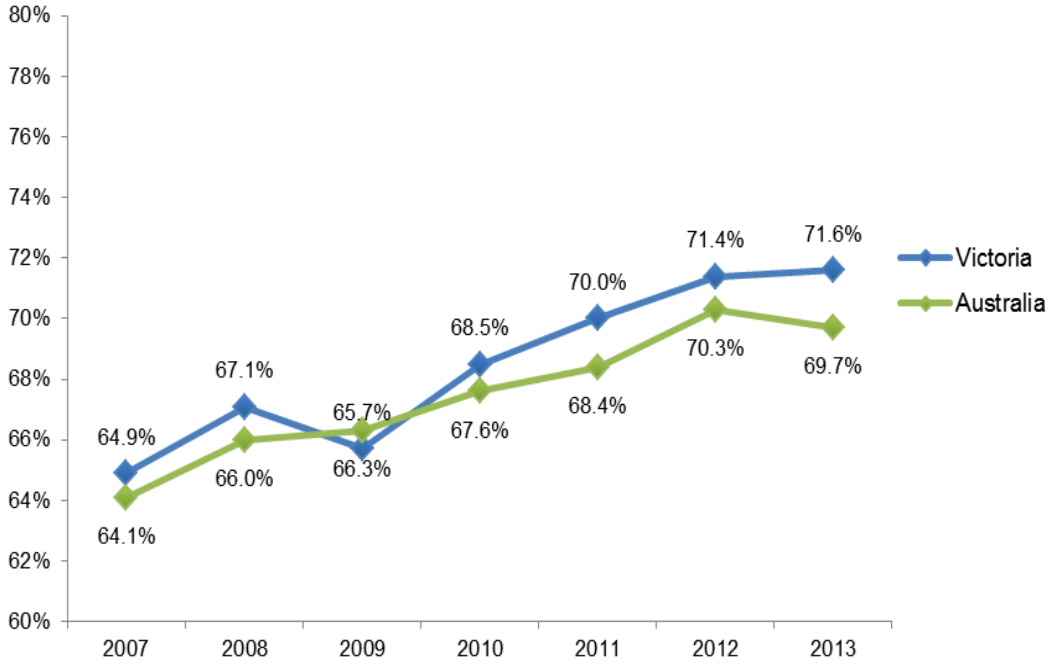
Workers can no longer count on a job for life. Increasingly, workers will need to have transportable skills to be able to move between employers, industries and occupations in response to changes in the job market.

A Certificate III qualification is emerging as the minimum qualification needed to achieve a rewarding career because it increasingly represents the entry-level skills for growing and emerging industries.

A key measure of progress for Victoria is the proportion of the population with a Certificate III or higher qualification, or who are employed in a skilled occupation. This measures the opportunity to gain skills for an entry-level job, and also captures how well the economy provides skilled job opportunities to people as a means of improving living standards and wellbeing.

The Figure below shows, in 2007, 65 per cent of the Victorians aged between 20 and 64 were employed in a skilled occupation or had a Certificate III or above. By 2013, this proportion had increased to close to 72 per cent, generally with year-on-year growth seen in the proportion for each of the five intervening years.

Figure 7, Victorians aged 20 to 64 years with a Certificate III or above or employed in a skilled occupation, 2007 to 2013



Source: ABS Survey of Education and Work, unpublished data

Victoria is building a dynamic, efficient and responsive training market

Vocational education and training (VET) plays a critical role in supporting individuals to gain skills for immediate employment outcomes and to improve their long-term prospects in the changing economy. To respond to these changing demands for skills, and for how skills are acquired and developed, Victoria’s vocational training system has changed.

A modern vocational training system must enable more people to build skills that lead to better jobs. The Government’s *Refocusing Vocational Training in Victoria* reforms support the training system to be more efficient and effective, more innovative and responsive to industry and employer needs, and ultimately more sustainable.

Victoria’s VET system has been developed to meet local needs and individual context - primarily the needs of our economy, our community and our industries, and considering the range of training providers in our market.

The system is now demand driven with students and their employers as key active participants (rather than passive recipients previously). The “market” gives students (and their employers) choice and the ability to influence the “menu” of courses provided to them to better meet their wants and needs. The fundamental operating principle of the Victorian system is that the individual and/or their employer are best placed to determine their training needs.

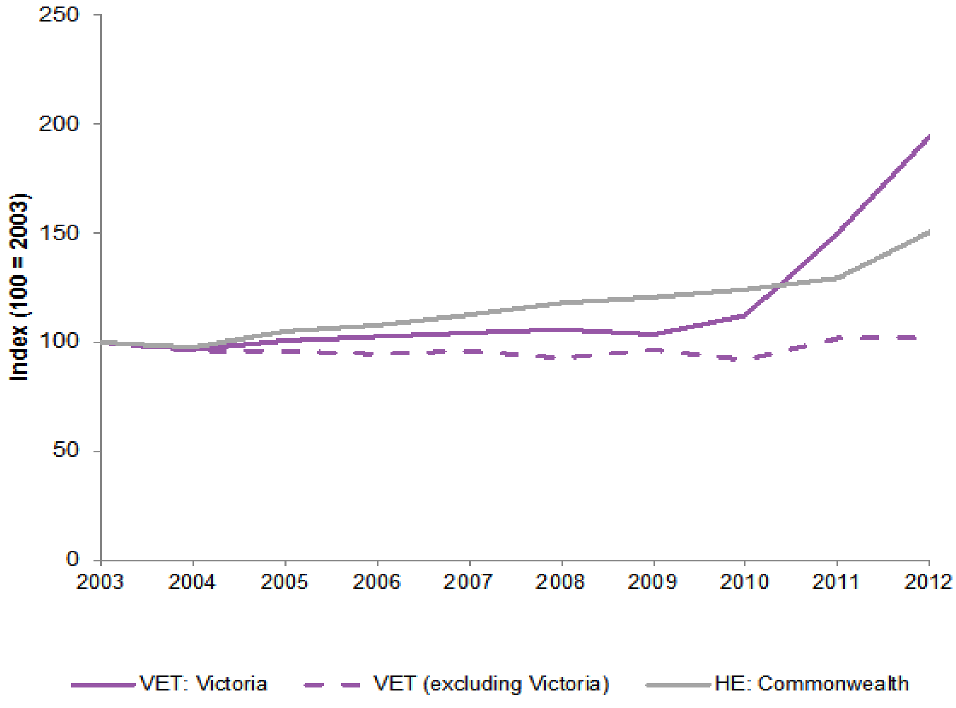
Training providers compete for students (and funding follows the student), which encourages a more efficient, responsive, innovative and high-quality service.

The focus of the changes has been to make sure that the training market operates with the right incentives (particularly in terms of pricing) in place, the right protections for individuals and the right information for students and industry.

The Government has recognised the importance of investment in skills to attract business and investment. Victoria has the highest level of budgeted funding ever committed at more than $1.2 billion per year between 2014-18, representing a 50% increase on the $808 million budget allocated in 2010-11.

The latest national figures, included in the chart below, are an analysis of state and Commonwealth investment trends in higher education and VET spending. There has been a large increase in Victorian VET government subsidies since the introduction of demand based funding. Other jurisdictions' investments in VET have remained fairly stable over the same period. Higher education (University) spending has been steadily increasing, with a sharp increase since 2011–12.[5]

Figure 8, Government outlay implications of demand based funding apparent for VET in Victoria, and Commonwealth in higher education



So far this year, across all training providers, Victorian Government subsidised students have contributed about 15 per cent on average towards the costs of their training, although fees vary between courses.

Training providers are required to provide an 80 per cent discount to eligible concession cardholders. This means concession students on average contribute around 5 per cent towards the costs of their training in 2014. Concession contribution payments totalling $21.7 million were made in July 2014 for the January – June 2014 activity period in relation to approximately 53,800 students.

Further to this, VET FEE-HELP loans are available for students studying at Diploma and Advanced Diploma levels and in some Certificate IV courses. This means students can defer the costs of their training until they start earning above a specified income threshold.

[5] ACIL Allen, 2014

The changes to the system are intended to achieve the following objectives:

- Training for real jobs
- Expanding opportunities for students
- Helping students and employers to make informed choices
- Better quality training and less red tape
- Building modern, competitive TAFEs.

The body of this report details the performance of the system against those objectives and provides commentary on what is working well, what needs improvement and our next steps.

Chapter 1: Training for real jobs

The 2012 *Refocusing Vocational Training in Victoria* reforms targeted funding to:

- Skills in short supply
- Skills needed in the high employment sectors
- Apprenticeships
- Skills that will help Victorian businesses to innovate, adapt to new technologies and develop new products and services.

The latest NCVER Student Outcomes Survey shows for Victorian graduates who completed their training in 2012:

- 77.3 per cent reported that their training was relevant to their current job
- 77.6 per cent were employed within six months following their training.
- 58.5 per cent reported that completing their VET qualification improved their employment status[6] within six months of completion.

Training activity during 2011 and the first half of 2012 included significant spikes in activity not aligned to future skills needs, which may also explain poorer outcomes for these students.

Steps were taken during 2013 and 2014 to align training activity to industry needs, including subsidy rate changes.

The Department has also continued to engage with industry in a new way to provide:

- Direct feedback from employers and industry associations to government to inform the design and management of the training market
- Direct relationships between employers and training providers to influence training services.

These direct relationships and feedback loops allow employers and industry to provide a perspective on the performance of the training market and areas for improvement. Through this partnership approach, the Department is better informed about changes "over the horizon" for industries, and the implications for future skills.

Employers and industry are able to directly signal to the market which providers are performing well and provide information to prospective employees about the skills and qualifications they value, in order to influence student choice.

Actions taken in the past six months

In the first half of 2014, the Department consulted with key industry stakeholders from the health and community services sectors to target government funding to the competencies that are critical to meet regulatory and vocational requirements in these industry areas.

As training packages are updated, the Department will continue to work with employers to ensure government funding is targeted to those competencies employers value most.

In 2014, new qualifications are also being developed to support skills for niche areas such as international business engagement, clinical coding and pyrometry.

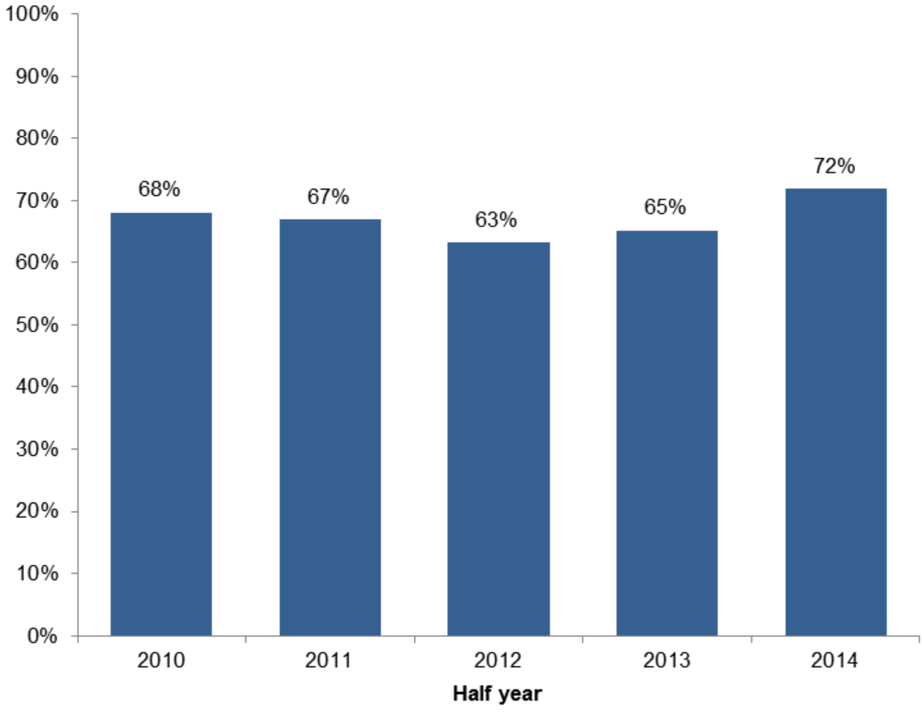
More training for growing and skilled occupations

The Victorian training system supports the demand for more workers with the skills and capabilities necessary for skilled occupations. In the first half of 2014, 72 per cent of government subsidised

[6] Improved employment status includes moving from unemployment into a job, obtaining a new job or promotion or any employment related benefit.

enrolments (260,800 enrolments) were in priority training courses related to those occupations and skills areas forecast to grow (in employment share and output) between now and 2017-18[7].

Figure 9, Percentage of government subsidised enrolments[8] in priority areas, 2010 to 2014 (half year)



Priority training courses include those relating to the top six employing industries which accounted for 59 per cent of all Victorian jobs in 2012–2013:

- Health care and social assistance
- Retail trade
- Manufacturing
- Professional, scientific and technical services
- Construction *and*
- Education and training.

These occupations are also projected to remain Victoria's largest employers over the period to 2017-18.

[7] Priority training includes: training in "in shortage" occupations, specialised occupations, occupations in the top six employing industries in Victoria, apprenticeships, high value traineeships, foundation training for people who are not at school and do not hold a Year 12 or Certificate II qualifications, and training to allow people to move between industries and transfer skills.

[8] Includes government subsidised enrolments in accredited training only.

In the first half of 2014, 63 per cent of vocational training was in qualifications for these six industries, up from 62 per cent over the same period in 2013.

Figure 10, Industry share of Victorian employment (2012-13 and projected employment in 2017-18) and vocational training[9]

Industry	Employment 2012-2013	Enrolments 2014	Employment 2017-18
Health Care and Social Assistance	12%	27%	12%
Retail trade	11%	3%	11%
Manufacturing	10%	13%	11%
Professional, Scientific and Technical Services	9%	3%	8%
Construction	8%	15%	8%
Education and Training	8%	2%	8%
Accommodation and Food Services	6%	7%	6%
Transport, Postal and Warehousing	5%	10%	5%
Public Administration and Safety	5%	2%	4%
Wholesale trade	5%	0.3%	5%
Financial and Insurance Services	4%	1%	4%
Other Services	4%	6%	4%
Administrative and Support Services	3%	3%	3%
Agriculture, Forestry and Fishing	3%	3%	3%
Information Media and Telecommunications	2%	1%	2%
Arts and Recreation Services	2%	4%	2%
Rental, Hiring and Real Estate Services	1.5%	0.5%	1.5%
Electricity, Gas, Water and Waste Services	1%	0.2%	1%
Mining	0.5%	0.1%	0.5%

Source: Centre of Policy Studies Labour Market Forecasts 2013; SVTS.

[9] Includes enrolments aligned to ANZSIC industries only (excludes enrolments in Cross-industry, e.g. human resources, project management etc.).

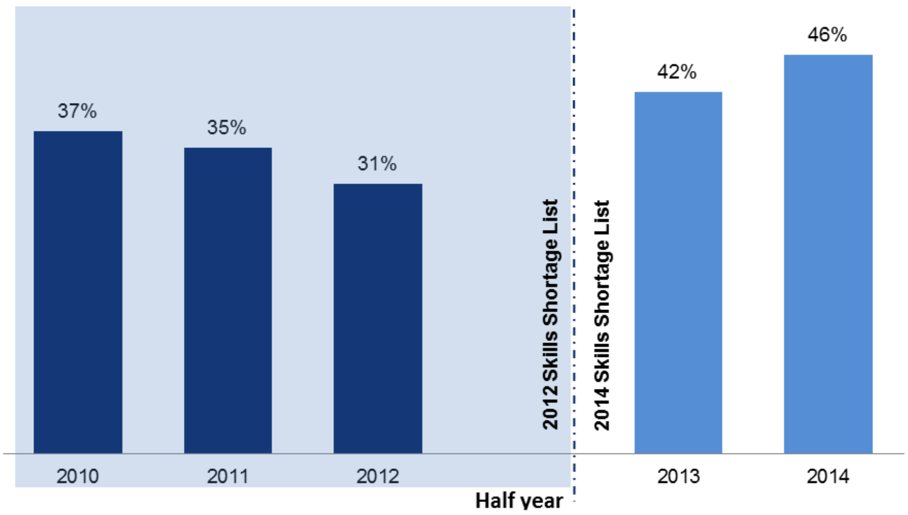
Training for specialised or in shortage occupations

Industry provides feedback on occupations that are facing critical skills shortages, or have high economic value, but have long lead times for develop the required skills.

Specialised occupations	Occupations with shortages
• Specialised occupations have a long lead-time for training, high economic value and a significant match between training and employment. • The Australian Workforce and Productivity Agency list of specialised occupations 2013 informs the Department's view of specialised occupations.	• Skill shortages exist when employers are unable to fill or have considerable difficulty filling vacancies for an occupation, or skill needs within that occupation, at current levels of remuneration and conditions of employment, and in reasonably accessible locations. • In 2014, the Department released an updated list of skill shortages, based on latest available data.

In the first half of 2014, 46 per cent of all enrolments were in qualifications related to specialised or "in shortage" occupations, compared with 42 per cent in 2013.

Figure 11, Government subsidised enrolments in specialised or skill shortage occupations, 2010 to 2014 (half year)



There were 138,500 enrolments in training for specialised or in shortage occupations in the first half of 2014, 19 per cent more than the same period in 2013.

Table 1, Number of government subsidised enrolments in qualifications related to either specialised or skill shortage occupations, 2010 to 2014 (half year)

Either Specialised or In Shortage Qualifications						
	2010	2011	2012	2013	2014	% 2013 – 2014
Enrolments	76,200	92,500	112,100	116,200	138,500	19%
Hours (millions)	26.9	33.5	40.7	43.5	48.1	11%

Qualifications Related to Specialised Occupations						
	2010	2011	2012	2013	2014	% 2013 - 2014
Enrolments	44,800	50,000	57,000	58,000	62,800	8%
Hours (millions)	14.2	16.5	17.6	19.9	19.3	-3%

Qualifications Related to In Shortage Occupations						
	2010	2011	2012	2013	2014	% 2013 - 2014
Enrolments	68,900	87,300	105,500	94,000	115,000	22%
Hours (millions)	24.4	30.8	37.9	36.0	41.0	14%

Notes:

1. All information represents half-year data to the end of June.
2. In shortage qualification enrolments between 2010 and 2012 have been defined using DEECD's 2012 Skills Shortage List; in shortage qualification enrolments from 2013 onwards are defined using DEECD's current Skills Shortage List, updated in 2014. Due to the break in series, comparisons cannot be made between 2014 enrolment data and any period prior to 2013
3. Includes government-subsidised training by in accredited AQF qualifications excluding foundation skills, education pathways and low-level LOTE courses.

Case study: Adam McArdle Certificate IV in Drafting

Adam McArdle took a gap year after school, wound up in a boring job and knew he had to get out.

"I worked in a factory for two weeks before I thought: 'Bloody hell. I can't do this all year.' I searched for jobs online and discovered drafting."

Aged 18, he started a junior informal traineeship, specialising in mechanical and electrical drafting. A shortage of well-trained draftsmen in his field led to his recruitment to complete a Certificate IV in Drafting at the Air Conditioning and Mechanical Contractors' Association (AMCA).

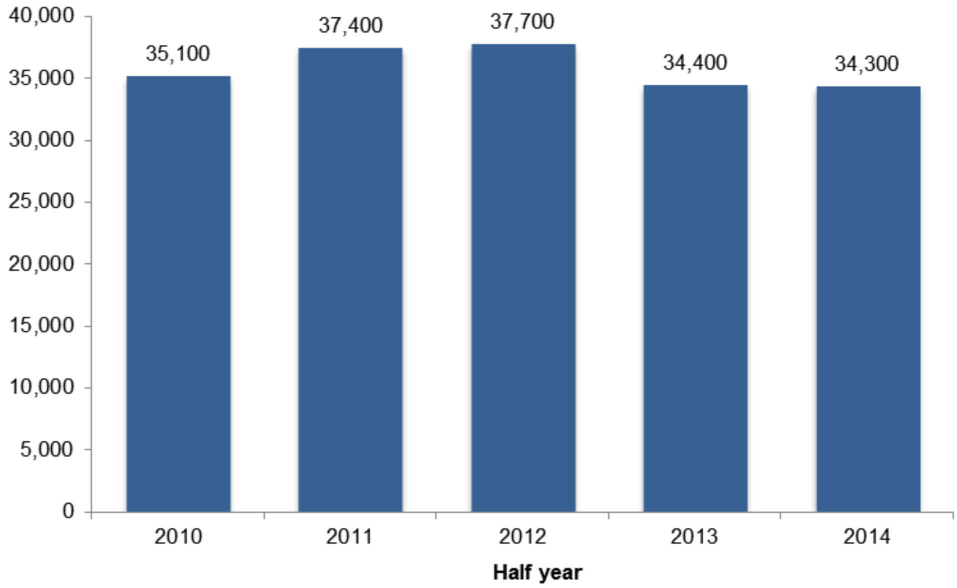
Adam says his course reflected the flexibility and precision demanded by his profession. "It has definitely made me more versatile and confident."

The 25-year-old from Chelsea now drafts air-conditioning systems in large projects such as shopping centres. "I think 'drafties' are always wanted, especially if you've been trained properly. I'm extremely happy with the path I've chosen."

Apprenticeships

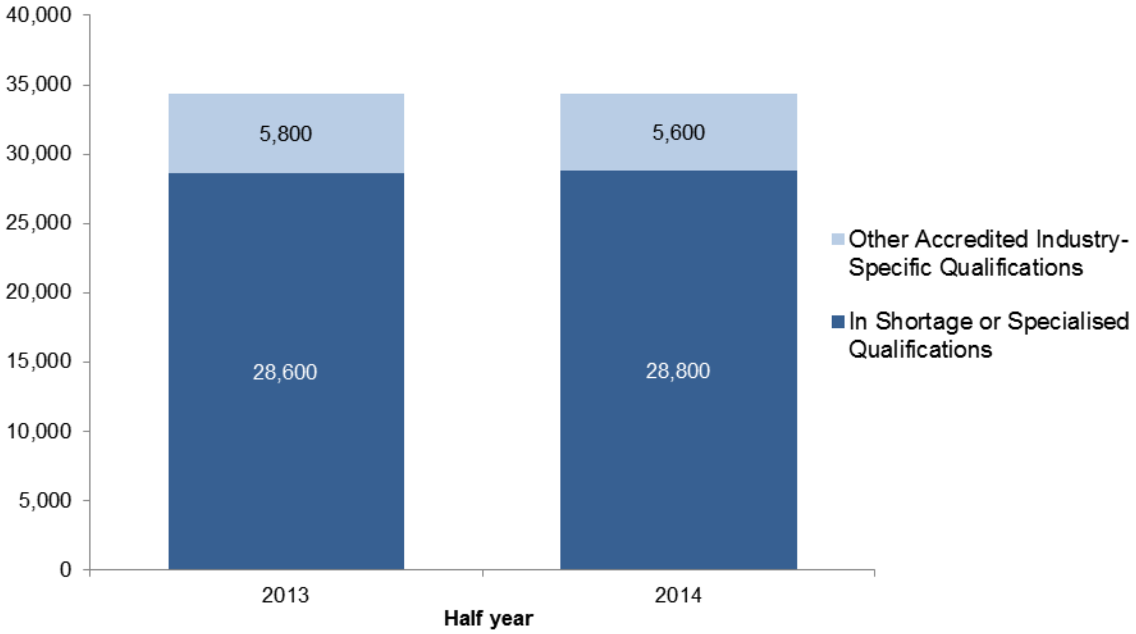
Enrolments in apprenticeships have remained reasonably stable since 2010.

Figure 12, Number of government subsidised enrolments in apprenticeships, 2010 to 2014 (half year)



Since July 2012, apprenticeships have attracted government subsidy at the highest level in recognition of current and projected industry skill needs.

Figure 13, Number of government subsidised enrolments in apprenticeships in shortage or specialised, occupations, 2013 to 2014 (half year)



While the overall level of enrolments in apprenticeships has remained stable between 2013 and 2014, there was a small increase in the share of enrolments in apprenticeships in the first half of 2014 in specialised or in shortage occupations.

Female enrolments in apprenticeships increased by 10 per cent between 2013 and 2014. New enrolments for about 390 food-trades workers (cooks and bakers) have driven this increase while there has been a small decrease in female apprenticeships across other occupations.

More detail on government subsidised enrolments in apprenticeships by gender is included in the Appendix.

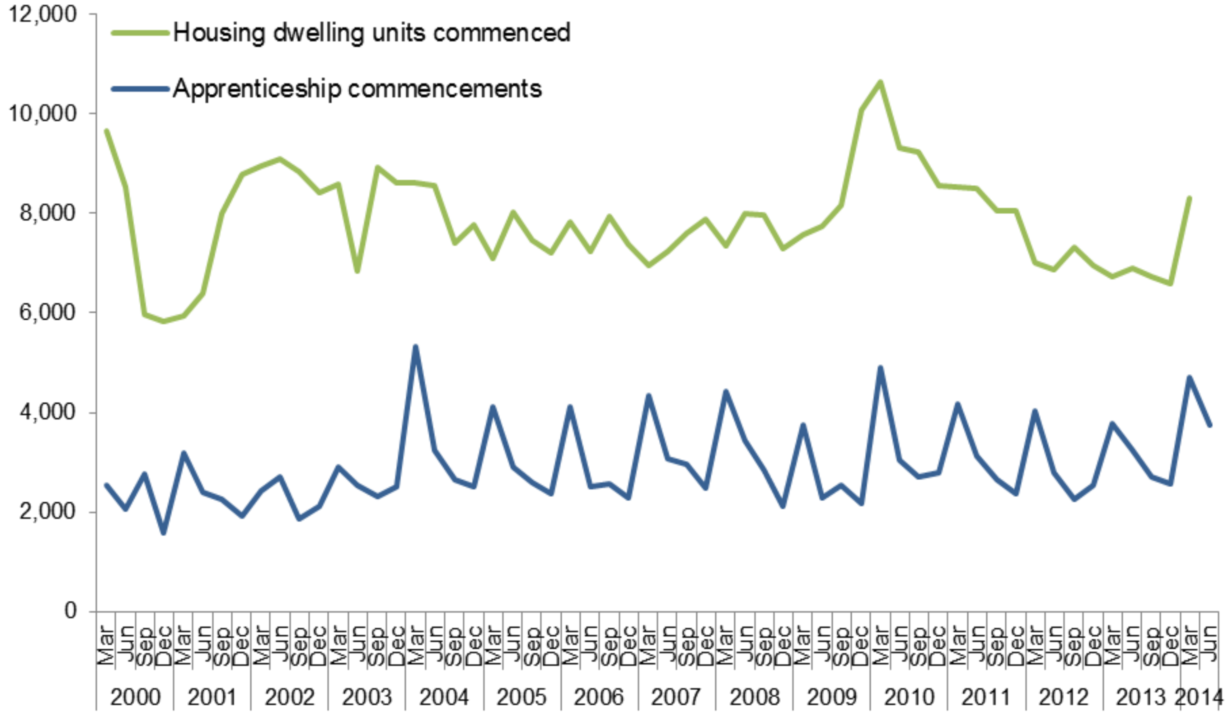
The 34,400 Victorian apprentices are distributed across a wide range of industries as the table below shows.

Table 2, Top 10 occupations of government subsidised apprenticeships, number and percentage of all apprenticeships in 2014 (half year)

Occupations	Number	Per cent of all apprenticeships
1. **Bricklayers, and carpenters and joiners**	5,800	17%
2. **Electricians**	5,500	16%
3. **Plumbers**	3,900	11%
4. **Food trades workers**	3,800	11%
5. **Automotive electricians and mechanics**	3,600	11%
6. **Hairdressers**	1,700	5%
7. **Fabrication engineering trades workers**	1,600	5%
8. **Horticultural trades workers**	1,400	4%
9. **Mechanical engineering trades workers**	1,200	3%
10. **Electronics and telecommunications trades workers**	1,000	3%

Around half of all apprentices are employed in the construction sector, and fluctuations in this sector have an impact on overall apprentice numbers. In recent years, there have been ongoing pressures on apprenticeship enrolments with a slowing down of housing dwelling commencements since 2010. These fluctuations are shown in the Figure on the following page.

Figure 14, Housing dwelling commencements and numbers of apprenticeship (building and construction related) commencements, 2000 to 2014



Source: ABS data on new dwelling (Housing) units commenced (Table 34 8752.0 - Building Activity, Australia, Mar 2014) and DELTA apprenticeship commencements in building and construction

While apprentice training continues to be offered by all types of training providers, the dominant provider remains the TAFE institutes. In the first half of 2014 of the total of 34,300 apprentices enrolled, 21,200 (62%) were at TAFE, 7,800 were at a private RTO, 5,200 were at a university and 90 were at a Learn Local.

More detail on the changes to enrolment patterns and enrolment share of apprentices across training provider types is included in the Appendix.

Case study: Rebecca Woodcock Certificate III in Hospitality

Rebecca Woodcock was working in a kitchen in Tasmania when the chef advised her to quit and move to Melbourne.

Rebecca was 21 and had just returned to her home state after three years overseas.

She had always loved cooking, often baking treats at night for the lunchboxes of her five younger brothers.

She found restaurant work within a month of deciding to move to Melbourne and later started her Certificate III in Commercial Cookery at Crown College.

“Learning theory, implementing it in a supervised practical class and then translating it back to work immediately was invaluable,” Rebecca says.

The 27-year-old from Thornbury is now a chef at Mr Hive at Crown, where she has the freedom to create weekly specials.

“You have to know the rules before you can break them . . . I can’t fathom how I would do this without my apprenticeship.”

Case study: Melinda Lethbridge
Certificate III in Engineering Mechanical Trade

Melinda Lethbridge defies stereotypes about female trades workers. As a fitter and machinist, her work is never dull.

“I get a drawing from a customer for a product and I have to tell the machine how to make it,” she says. “It’s complex, varied and really rewarding.”

The 22-year-old from Croydon says she realised in Year 12 that a desk job was not for her.

Melinda found an apprenticeship at Hargo Engineering and recently completed her Certificate III in Engineering Mechanical Trade at Swinburne.

Melinda praises her robust training. “I have specific and general skills … I can pull apart a lawn mower and make it work, or I can program a machine to do what I need it to do.”

At Hargo, she makes components for automotive, aerospace and defence products.

“Don’t listen to the media – Australia is really developing an edge in manufacturing for complex, high-end jobs.”

Traineeships

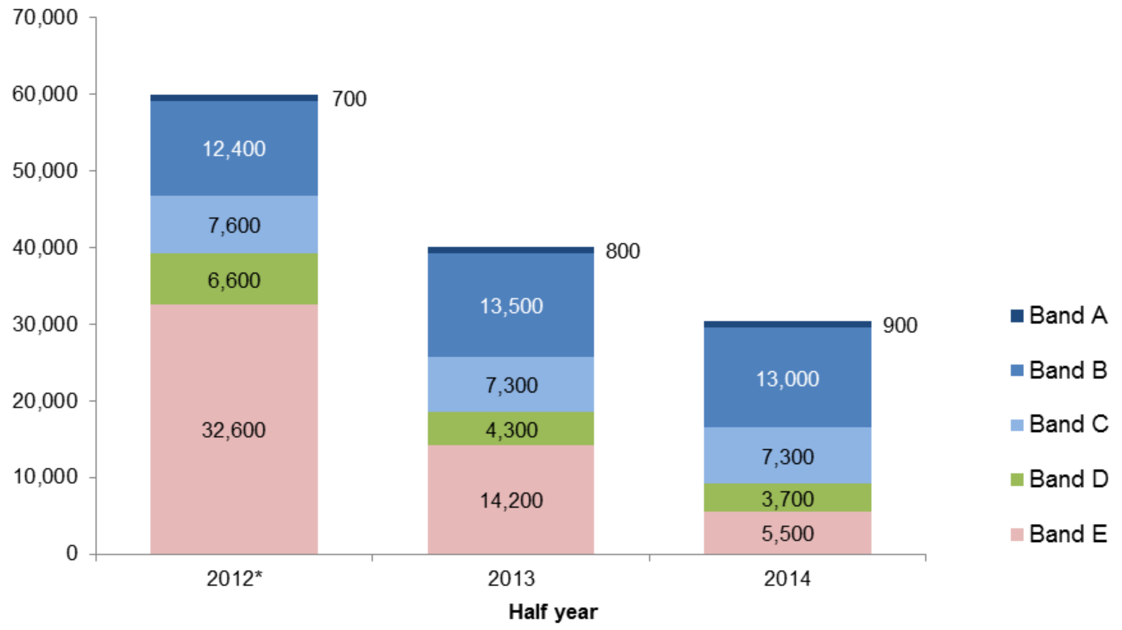
In the first half of 2014 there were 30,700 enrolments in traineeships, down by 25 per cent on 2013 and 10 per cent on 2010.

Enrolments have been more stable in traineeships that provide secure job pathways, with 21,200 enrolments in traineeships for occupations such as health and welfare support workers, truck drivers, ICT and telecommunications technicians and child carers, down 2 per cent on 2013, but up 2 per cent on 2010.

Since 2012 Commonwealth and State government subsidies have been directed away from narrow job-specific traineeships that have higher levels of casual employment, such as sales assistants and call centre information clerks.

Enrolments in courses attracting the highest subsidy levels now comprise 45 per cent of traineeships compared with 35 per cent in 2013, as shown in the chart below.

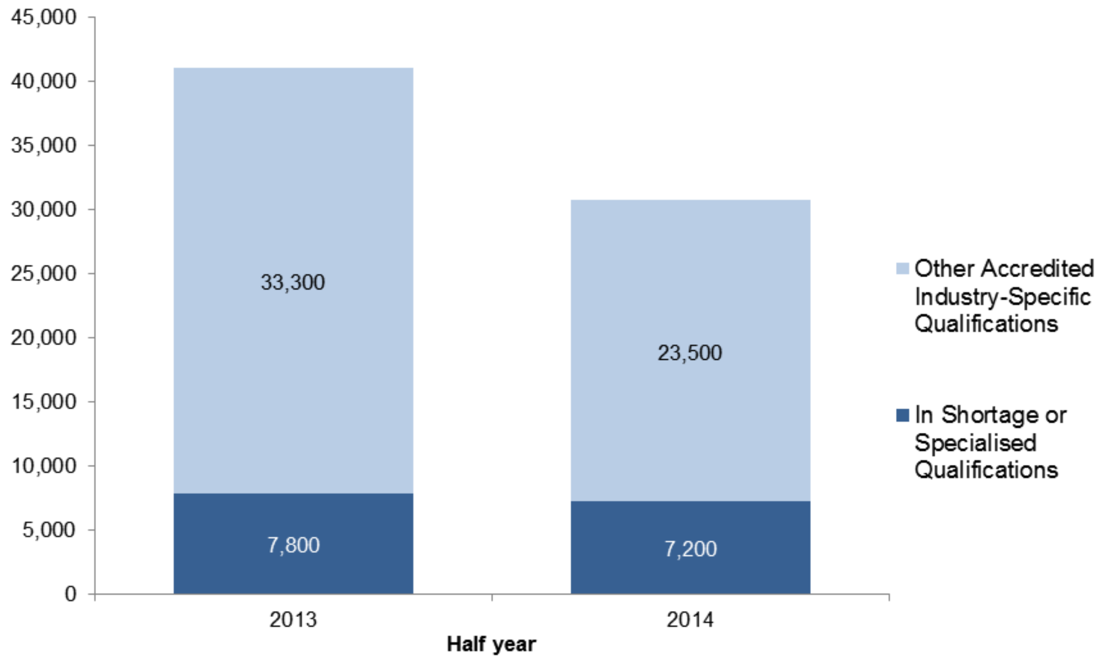
Figure 15, Number of government subsidised enrolments in traineeships by funding band, 2012 to 2014 (half year)



*Estimated (pre-*Refocusing Vocational Training in Victoria*)

Only 24 per cent of traineeship enrolments in the first half of 2014 were in specialised or in shortage qualifications, compared with 84 per cent of apprenticeships, up from 19 per cent in 2013.

Figure 16, Number of government subsidised enrolments in traineeships in shortage or specialised occupations, 2013 to 2014 (half year)



While traineeship training continues to be offered by all types of training providers, the dominant providers remain the Private RTOs. In the first half of 2014 of the total of 30,700 trainees enrolled, 23,700 were at a private RTO, 4,800 were at a TAFE, 1,500 were at a Learn Local and 700 were at a university.

Private RTOs are also the main providers of traineeships in specialised or in shortage occupations with 4,300 enrolments (60 per cent). While TAFEs had only 39 per cent of such traineeships, they were the only sector to show an increase from 1,700 in 2013 to 2,100 in 2014.

More detail on the changes to enrolment patterns and enrolment share of trainees across training provider types is included in the Appendix.

Building skills for a rewarding career

Certificate III and IV enrolments

A Certificate III qualification is emerging as the minimum qualification needed for a rewarding career.

The first six months of 2014 saw a continuing shift in government subsidised training enrolments towards higher-level vocational qualifications:

- Enrolments in Certificate III or IV level qualifications increased by 12 per cent compared with the same period in 2013, and by 92 per cent compared with 2010.
- In 2014, 64 per cent of all government subsidised enrolments were at Certificate III or IV level, up from 54 per cent in 2013 and 49 per cent in 2010.

Table 3.1, Number of government subsidised enrolments by broad level of course, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Cert I/II	49,500	64,300	101,000	102,600	58,300
Cert III/IV	125,000	168,400	251,700	215,600	240,500
Diploma &above	50,000	62,900	77,000	53,700	48,000
Module only	16,600	13,200	12,700	12,800	14,100
Other	8,100	5,400	9,100	7,000	9,100
Secondary education	6,400	6,300	6,600	7,400	8,100
Total	**255,600**	**320,400**	**458,100**	**399,200**	**378,000**

Table 3.2, Change in the number of government subsidised enrolments by broad level of course, 2010 to 2014 (half year)

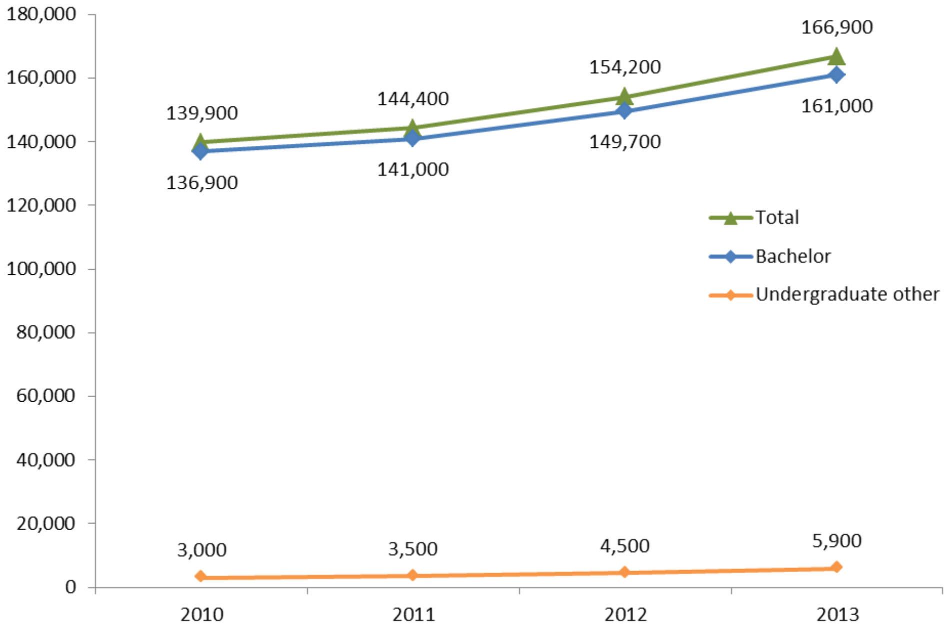
	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Cert I/II	18%	-9%	-42%	-43%
Cert III/IV	92%	43%	-4%	12%
Diploma &above	-4%	-24%	-38%	-11%
Module only	-15%	7%	11%	9%
Other	13%	69%	0%	30%
Secondary education	26%	29%	23%	10%
Total	**48%**	**18%**	**-17%**	**-5%**

Diploma enrolments

Government subsidised enrolments in Diploma (and above) declined by 11 per cent in 2014 compared to 2013.

Some of this decline was associated with growth in degree and sub-degree programs in higher education.

Figure 17, Number of undergraduate students in higher education by degree or sub-degree program[10], Victorian providers, 2010 to 2013



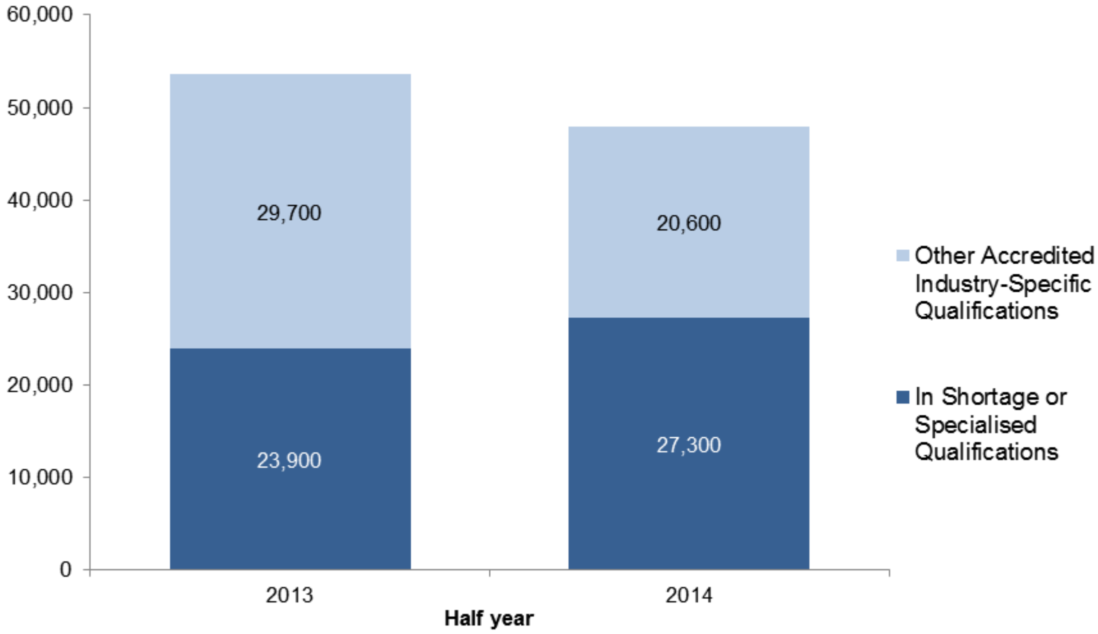
Source: Australian Government Department of Education, 2014

Most of the decline in Diploma and above qualification in training has come from courses that are not linked to “in shortage” or specialised occupations; these courses declined by 31 per cent.

The number of government subsidised enrolments in Diploma (and above) that were in shortage or specialised occupations increased between 2013 and 2014 by 14 per cent.

[10] Undergraduate other includes courses such as Associate Degree, Advanced Diploma and Diploma.

Figure 18, Number of government subsidised enrolments in Diploma and above in shortage or specialised occupations, 2013 to 2014 (half year)



The table below shows the top ten Diploma and Advanced Diploma courses for 2010 compared to 2014.

Table 4, Top 10 occupations of government subsidised enrolments at the Diploma and above level 2010 compared to 2014 (half year)

The top 10 occupations of diploma and above courses in 2010 accounted for 63% of total enrolments in Diploma and above courses	The top 10 occupations of diploma and above courses in 2014 accounted for 77% of total enrolments in Diploma and above courses
1. Building and Engineering Technicians (5,600) 2. Child Carers (4,900) 3. Office and Practice Managers (4,900) 4. Health and Welfare Support Workers (3,600) 5. Accountants, Auditors and Company Secretaries (2,300) 6. Social and Welfare Professionals (2,200) 7. Personal Service and Travel Workers (2,100) 8. Arts Professionals (2,100) 9. Architects, Designers, Planners and Surveyors (2,000) 10. Miscellaneous Technicians and Trades Workers (2,000)	1. Child Carers (10,100) 2. Health and Welfare Support Workers (9,100) 3. Building and Engineering Technicians (5,200) 4. Social and Welfare Professionals (3,600) 5. Office and Practice Managers (2,400) 6. Miscellaneous Technicians and Trades Workers (1,800) 7. Personal Service and Travel Workers (1,300) 8. Architects, Designers, Planners and Surveyors (1,200) 9. Arts Professionals (990) 10. Financial Brokers and Dealers, and Investment Advisers (890)

Case study: Miranda Borlini Diploma of Children's Services

When Miranda Borlini became the director of a new Shepparton early childhood centre, she was determined to ensure it was not used as a "babysitting service".

The former high school English teacher had overseen the amalgamation of two centres to form Lulla's Children and Family Centre, which aimed to give Aboriginal children the best start in life.

Her staff were already using play, stories, songs and activities with the children, but Miranda recognised a need for more theoretical training: "We needed something to back up what we were doing on a daily basis."

Miranda completed a Diploma of Children's Services at GOTAFE Shepparton, and supported eight others at the centre to complete their qualifications. "We're just so much more aware now of the possibilities – of how capable children are and how we can maximise their learning while reinforcing their identity and giving them a nurturing, family-oriented environment," she says.

"Aunty Miranda", as she is known, has an Aboriginal and Italian background, and went on to develop a "Koorie kit" of resources for other centres in Shepparton. It includes books, games, puzzles, dress-ups and children's songs, such as "Head and shoulders, knees and toes", translated into the Bangerang language.

Next steps

The Minister's Industry Skills Consultative Committee has led work on what job readiness means in a modern economy. Reports on the skills that will be needed for the jobs of the future will be released shortly.

The Department is working with stakeholders on the following projects:

Building management skills for advanced manufacturing

Victorian industries, including manufacturing and agriculture, have signalled the need for strong leadership and management skills to help develop a productive workforce.

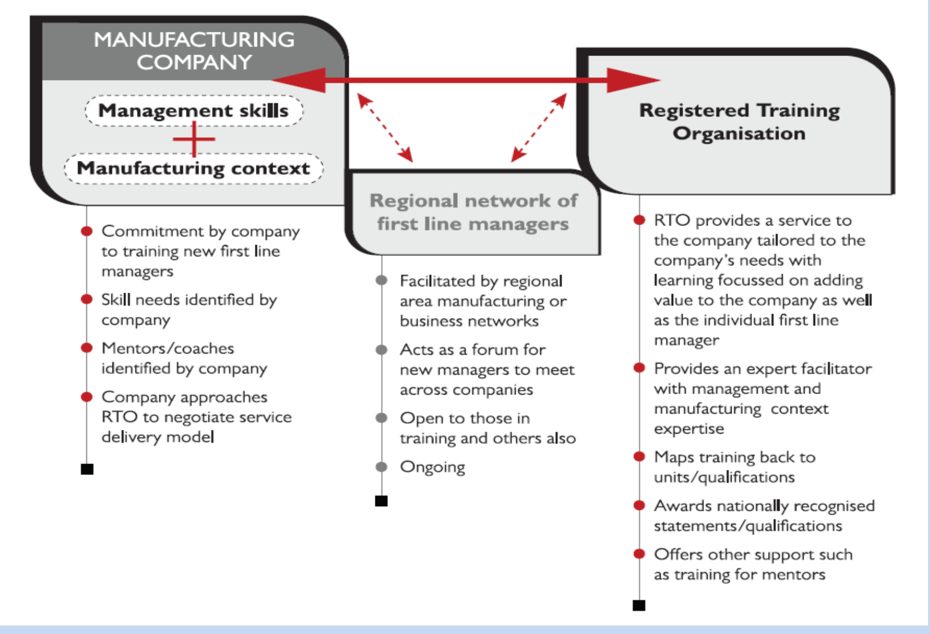
The Manufacturing Skills and Training Taskforce recently commissioned a study into the management skills needs of new and emerging managers. The study found that existing management qualifications did not reflect the competencies and capabilities required of managers in advanced manufacturing.

The Department has worked with the taskforce to develop new qualifications that would build the capabilities necessary for Victoria's manufacturing sector to successfully transition to higher value activities and remain globally competitive.

These qualifications will be piloted following the conclusion of a selection process for an industry-led consortium of companies and RTOs to be concluded by October 2014.

Case Study: Leadership and management skills project

The Manufacturing Skills and Training Taskforce recently commissioned a study into management skills needed by the industry to assist new and emerging managers. The project explored training options for technical/shop-floor workers to progress to management roles in the manufacturing industry. Stage one involved direct feedback from industry, employers and RTOs about a potential model of training and appropriate supports preferred by the manufacturing industry. The approach illustrated below will be piloted in stage two.



Aligning training products with future skills needs

With more workers likely to change jobs over their lifetime, transferable core skills and capabilities will be important to long term employability.

Transferable skills include

- 'Soft skills' in problem solving, communication, team work,
- Cognitive abilities to continue to learn
- More technical, work-specific abilities applicable to almost all jobs, such as IT and economic awareness skills, and foundational language, literacy and numeracy (LLN) skills.

These skills make it easier for workers to move between a wider range of jobs, occupations and industries as well as helping people adapt more quickly to changes in the workplace including those driven by new technologies or changing economic conditions.

In April 2014, the Council of Australian Governments (COAG) Industry and Skills Council agreed to work towards a system of streamlined industry-defined qualifications that is better able to respond flexibly to major national and state priorities and emerging areas of skills need. The Department will continue to work with the Australian Government's VET Reform Taskforce, other States and Territories and industry on aligning training packages to future skills needs.

Continuing to improve apprenticeship completions and pathways to trades careers

In March 2014, the Minister for Higher Education and Skills requested that the Department and the Victorian Registration and Qualifications Authority (VRQA) undertake a review of the factors that influence apprenticeship and traineeship completion rates.

Preliminary analysis suggests that, consistent with previous Victorian and Australian studies, one of the key drivers of completion rates is how well the apprentice fits their role. This encompasses both the quality of the employer-apprentice relationship and the expectations and understanding the apprentice has of their role. Actions underway include:

- Victoria is funding pre-apprenticeship projects to improve transition from pre-apprenticeships into apprenticeships, by building the literacy, numeracy and people skills of pre-apprentices.
- The Victorian Government has extended the support apprentices through the Apprenticeship Support Officers program, which works with young first-year apprentices with the aim of ensuring that they complete their first year and ultimately their apprenticeship. This program is particularly important to support young women in the first year of their apprenticeship.
- The Department is undertaking analysis of pathways of apprentices and trainees to completion.
- The Department will also continue to work with the Commonwealth Government on how Australian Apprenticeship Centres can better integrate support services offered to apprentices, trainees and their employers so they can quickly and easily find the help and advice they need when issues arise.

To attract more women into the trades, the Victorian Government is providing $100,000 in funding to APlus, a Group Training Organisation, to run the Women in Trades – 'Why Should Boys Have All the Fun Jobs?' project. This project aims to place 40 women in non-traditional trades over the next twelve months.

In addition, the Department will work with industry on strategies to improve the range of pathways into the trades.

Chapter 2: Expanding opportunities for students

Educational attainment is important to give people the opportunities, means, and ability to have a high standard of living. People with higher-level educational qualifications are more likely to be employed, and earn more than those without.

ABS data shows that 83 per cent of Australians aged 15 to 64 years with a Certificate III qualification or higher have a job, compared with only 57 per cent of unqualified early school leavers

There are some groups who are particularly vulnerable in the changing labour market. We know that employees who left their last job involuntarily have less chance of a successful transition to their next job. The likelihood of new employment is diminished if they are aged 15 to 19; or are over 55; did not reach Year 11 or last worked in manufacturing or personal services.

As a result, this means young people will most likely need to undertake further study after their senior secondary Certificate to gain employment, and adult learners and existing workers, especially those in declining occupations, will often need to develop new skills to gain a new job.

Actions taken in the past six months

Extension of the Victorian Training Guarantee to retrain automotive supply chain workers

In recognition of the industry-wide impact of closures of Toyota, Ford and Holden, the Government extended the entitlement to a government subsidy to help workers get the training they need to succeed in new jobs. Access to the Victorian Training Guarantee (VTG), irrespective of previous qualifications, started on 1 July. An estimated 16,000 automotive manufacturing supply chain workers will also have access to individualised career advice before they commence reskilling.

Changes to the Victorian Training Guarantee

In 2013 some specific problems were detected in the types of training being provided to some students. These problems included:

- Extension of foundation skills training to all students, irrespective of need
- School students “burning” their training entitlement on training that was not aligned with their school program of study or future career interests
- Providers packaging courses to attract higher subsidies – but which delivered the equivalent of a lower subsidised course
- Some students repeatedly enrolling in lower level Certificates, without completing a qualification and achieving a vocational outcome

These patterns were unlikely to prepare students for work or improve their long-term employability, and they are inconsistent with a healthy training system. In response the Government made a number of changes. These included:

Foundation training

The Government has improved accountability measures for providers to ensure students are only enrolled in foundation training that is relevant and provides the additional skills they need to undertake further study or do their jobs well. Educational experts are verifying the appropriateness of foundation training by creating an approved provider list for delivery of foundation skills training.

School students

From November 2013 the only school students eligible to access subsidised vocational training under the VTG are those students undertaking a school based apprenticeship or traineeship. This change ensures that vocational training undertaken by students is linked to their education program and is school approved.

Reducing training "churn"

By limiting students to two subsidised course commencements at one level, we are limiting churn and reinforcing the message that we want Victorians to complete full qualifications and gain progressively higher skills.

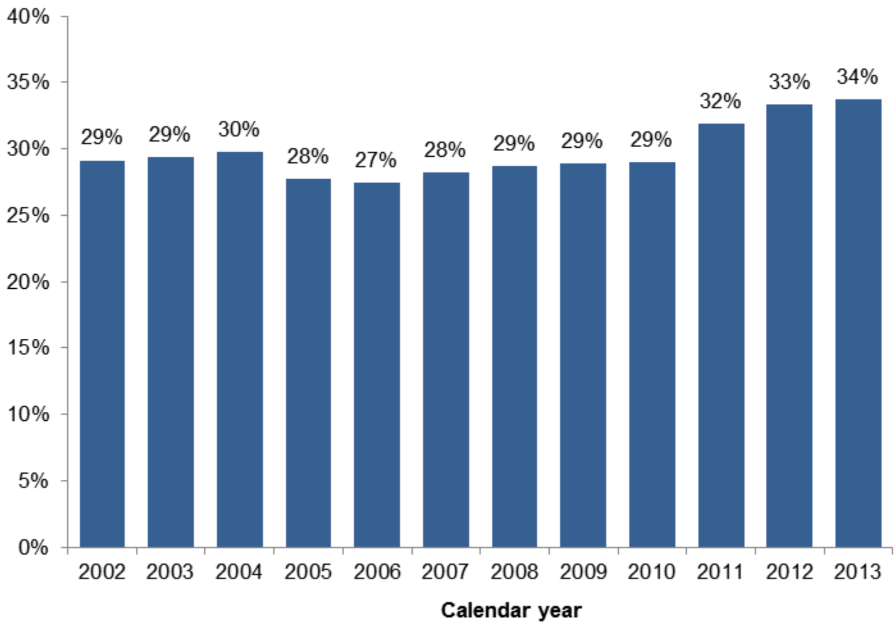
Subsidy adjustments to ensure fair sharing of the cost of training

To enable as many people as possible to benefit from government subsidies, it is important that there is a fair sharing of the cost of training between the Victorian taxpayer and the student (or their employer). The Market Monitoring Unit monitors tuition fees. Where there is evidence that more than 75 per cent of the market is delivering a course for free, or for very low fees, advice is provided to government to adjust subsidies.

More Victorians are participating in training

For the third year in a row, Victoria has Australia's highest VET participation rate. Victoria makes up 25 per cent of Australia's working age population but has 34 per cent of national VET enrolments.

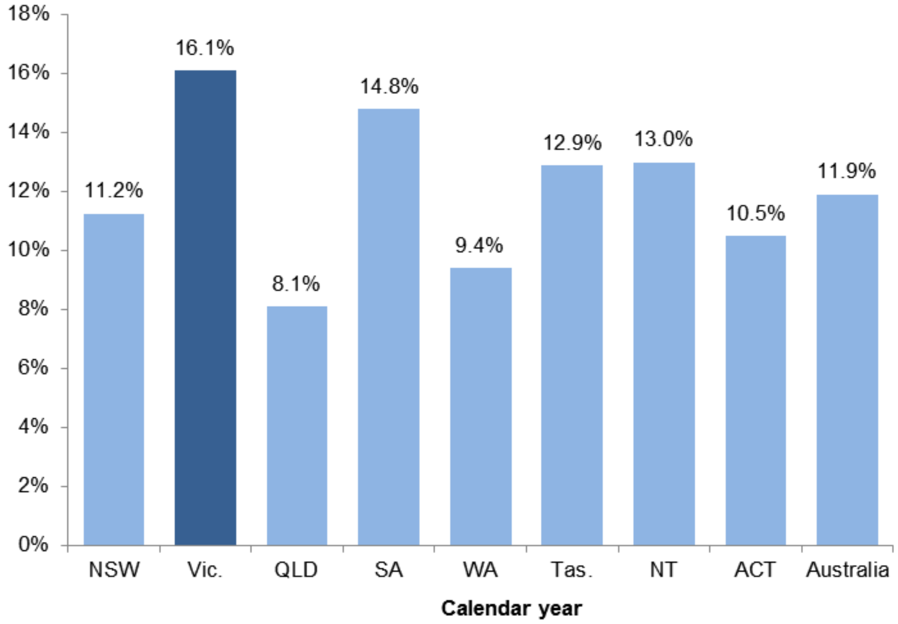
Figure 19, Victoria's share of the national number of students aged 15 to 64 years undertaking training, 2002 to 2013



Source: Unpublished NCVER VocStats

This high level of training delivery in Victoria is also demonstrated by the participation rate of 15 to 64 year olds in training, with Victoria having the highest overall rate at 16.1 per cent, followed by South Australia at 14.8 per cent.

Figure 20, Participation rate of 15 to 64 year olds in training in 2013



Source: NCVER VocStats and ABS Estimated resident population December 2013

Students and enrolments

In the first half of 2014, 311,900 students enrolled in government subsidised training, up by 1 per cent on 2013 and 44 per cent on 2010.

Figure 21, Numbers of students enrolled in government subsidised training, 2010 to 2014 (half year)

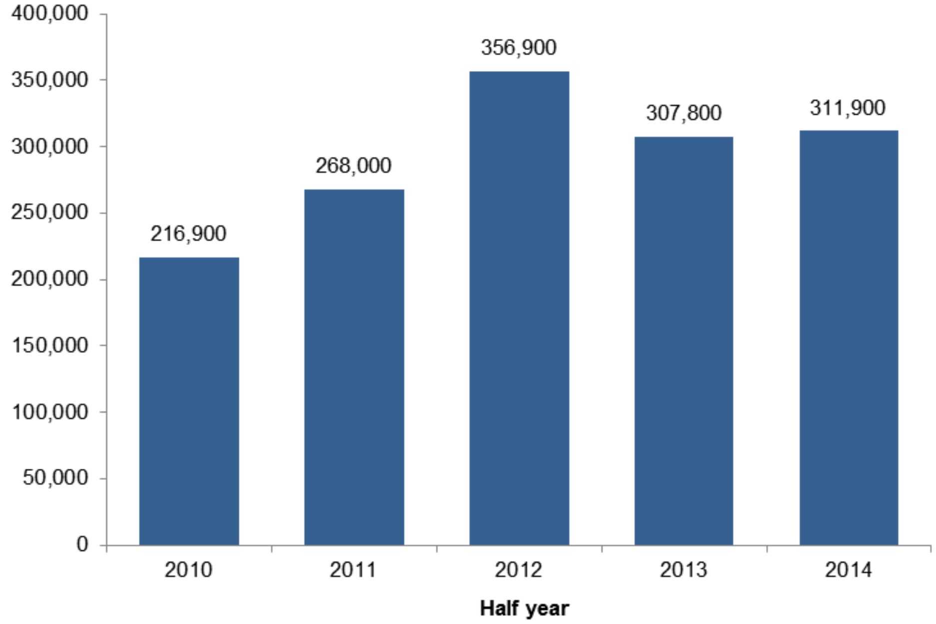


Table 5.1, Number of students enrolled in government subsidised training, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	216,900	268,000	356,900	307,800	311,900

Table 5.2, Percentage change of students enrolled in government subsidised training, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	44%	16%	-13%	1%

The number of enrolments in government subsidised training decreased by 5 per cent. However, the very high enrolments in foundation training in 2013 distort the overall figures, as can be seen in the chart below which separates out the foundation training enrolments.

The number of vocational enrolments (excluding foundation course enrolments) increased by 8 per cent compared to the same time last year.

Figure 22, Number of government subsidised enrolments, 2010 to 2014 (half year)

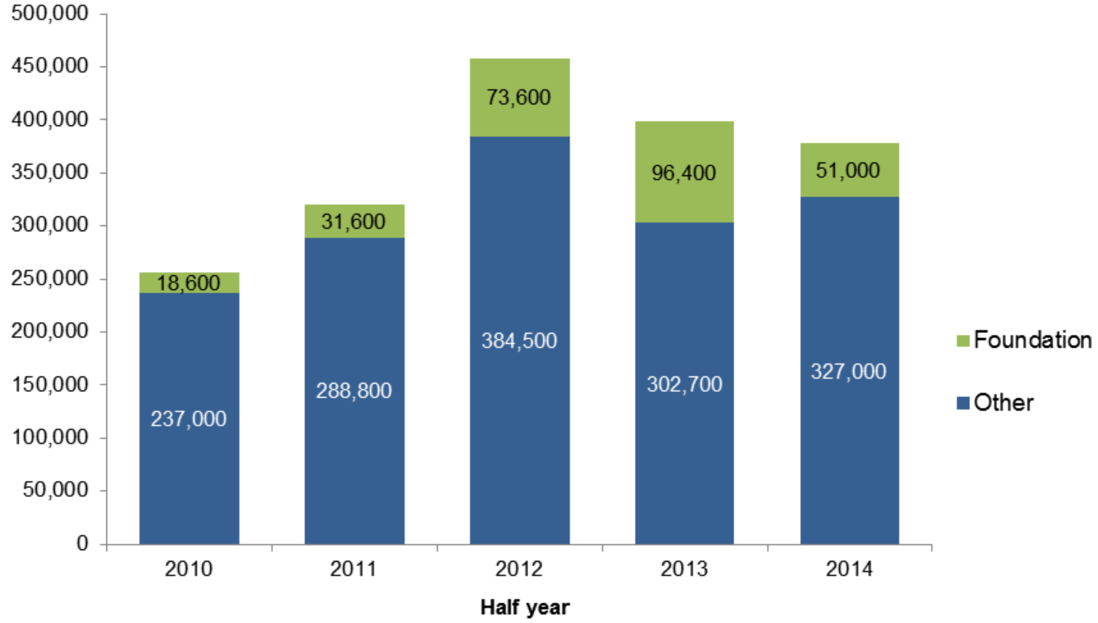


Table 6.1, Number of government subsidised enrolments, 2010 to 2014 (half year)

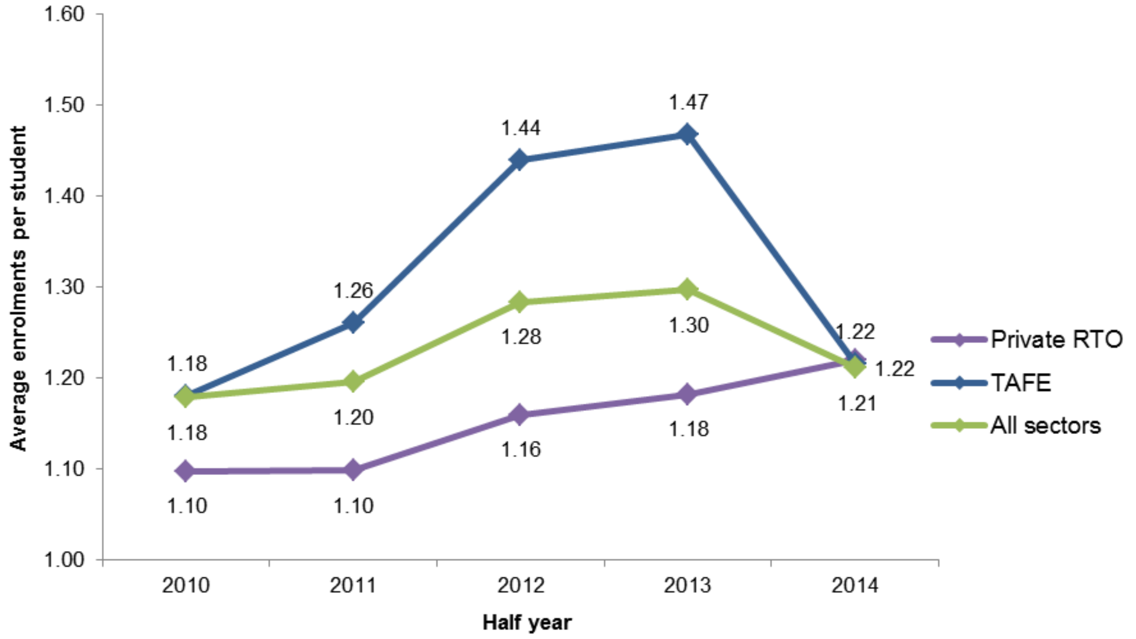
	2010	2011	2012	2013	2014
Foundation	18,600	31,600	73,600	96,400	51,000
Other	237,000	288,800	384,500	302,700	327,000
Total	**255,600**	**320,400**	**458,100**	**399,200**	**378,000**

Table 6.2, Change in number of government subsidised enrolments, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Foundation	174%	61%	-31%	-47%
Other	38%	13%	-15%	8%
Total	**48%**	**18%**	**-17%**	**-5%**

Figure 23 below shows that in some providers, particularly some TAFEs, the average number of government subsidised enrolments per student jumped in 2013 as they enrolled the majority of their students in both foundation skills and vocational courses.

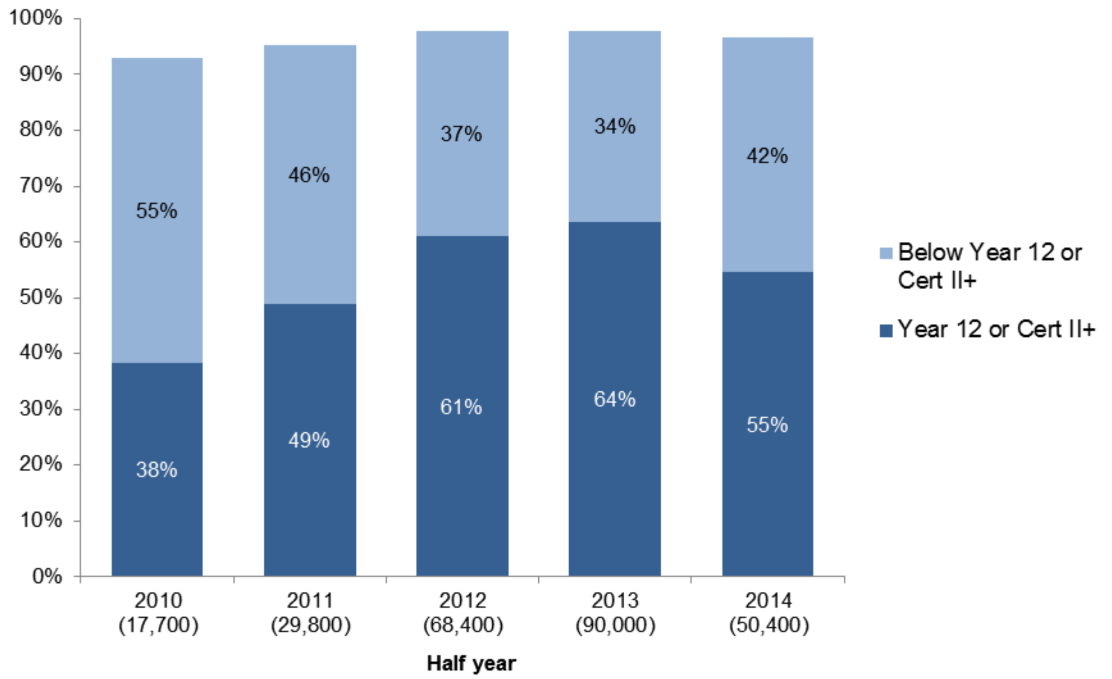
Figure 23, Average number of government subsidised enrolments per student, by TAFE and Private RTOs, 2010 to 2014 (half year)



This pattern was addressed through changes in funding arrangements introduced in the second half of 2013. These changes resulted in better targeting of foundation skills training.

42 per cent of foundation course enrolments in 2014 were by students who were not at school and did not have at least Year 12 or a Certificate II. This is an increase from 34 per cent in 2013 and indicates that foundation training is being better targeted.

Figure 24, Government subsidised foundation courses by whether the enrolled students had at least Year 12 or a Certificate II*, 2010 to 2014 (half year)



Figures inside the bracket refer to number of enrolments in foundation courses by this cohort.
* The percentages in a given year may not sum up to 100 per cent due to some courses were enrolled by students who did not indicate their prior level of qualification.

Case study: Wendy Dyckhoff Certificate III in General Education

Wendy Dyckhoff's speaking and literacy skills were so poor, she struggled to communicate in everyday situations.

Wendy, now 56, was separated from her family aged 6 and spent the rest of her childhood in a Catholic orphanage. She was abused – physically, emotionally and sexually – and was only encouraged to use her voice for prayer.

But recently, Wendy became determined to regain her speech. The past decade has seen growing awareness about the plight of people such as Wendy, who were institutionalised in the post-war period, and often neglected or abused.

Two years ago, Wendy enrolled in Certificate III in General Education at the Kangan Institute, studying literacy and numeracy alongside people who speak English as a second language.

"That's how bad I was," Wendy says. "Silence was the main requirement of us in the orphanage."

Wendy was awarded the college's silver medal, and has used her skills to organise forums about "Forgotten Australians" and to write about her life, including in recent submissions to inquiries into child abuse.

"I read my submission at a forum, through tears. I speak eloquently now, but it is still the voice of a nine-year-old who can finally tell someone what's happening to her."

Wendy now studies computer skills at Dallas Neighbourhood House, using email and the internet to further her advocacy work.

Gender

The number of female students enrolled in government subsidised training stayed at a similar level to 2013 and male enrolments increased by 3 per cent in the first half of 2014.

Table 7.1, Number of students enrolled in government subsidised training by gender, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Female	104,100	129,700	181,100	150,300	149,600
Male	112,100	137,700	175,400	157,200	161,900
Total	**216,900**	**268,000**	**356,900**	**307,800**	**311,900**

Table 7.2, Change in number of students enrolled in government subsidised training by gender, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Female	44%	15%	-17%	0%
Male	44%	18%	-8%	3%
Total	**44%**	**16%**	**-13%**	**1%**

Table 8.1, Number of government subsidised enrolments by gender, 2010 to 2014 (half year)

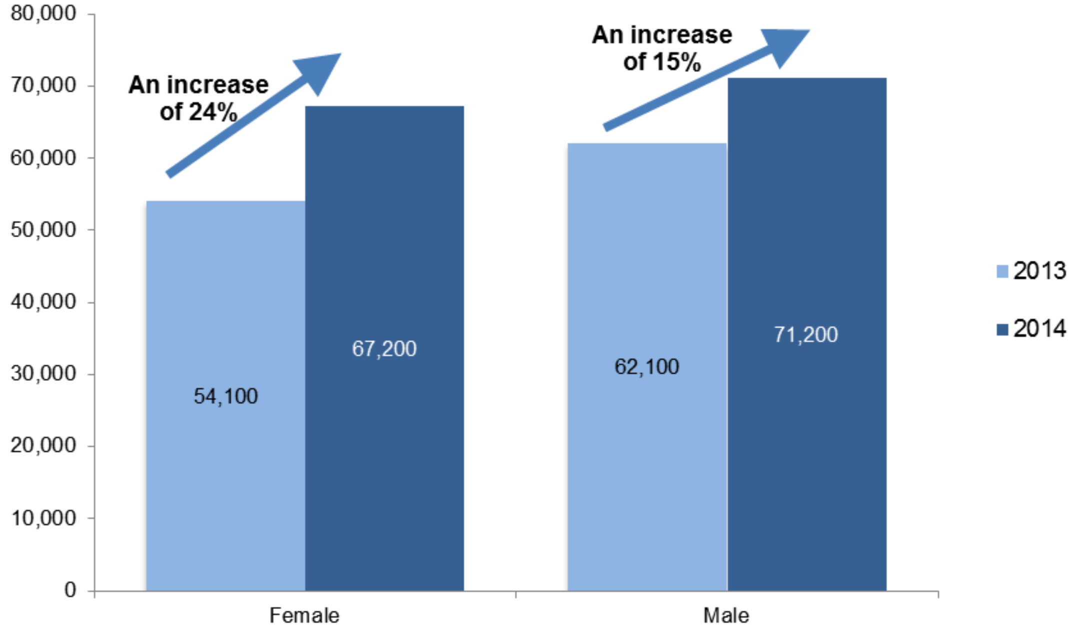
	2010	2011	2012	2013	2014
Female	122,500	155,100	232,900	196,000	182,500
Male	132,400	164,700	224,800	202,900	195,000
Total	**255,600**	**320,400**	**458,100**	**399,200**	**378,000**

Table 8.2, Change in number of government subsidised enrolments by gender, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Female	49%	18%	-22%	-7%
Male	47%	18%	-13%	-4%
Total	**48%**	**18%**	**-17%**	**-5%**

While the number of female students in government subsidised enrolments in 2014 was similar to that in 2013, there was considerable growth in the number of those enrolments that were in “in shortage” or specialised occupations. This was up by nearly a quarter on the 2013 result.

Figure 25, Number of government subsidised enrolments in shortage or specialised occupations by gender, 2013 to 2014 (half year)



Age

Other than 15 to 19 year olds, all age groups showed an increase in the number of students in government subsidised training. Students aged 25 to 44 years of age showed the largest increase at 5 per cent.

In 2014 (half year) 43 per cent of students enrolled in government subsidised training were aged 15 to 24; this is 1 per cent less than the same time last year and down 8 per cent from 2010.

Table 9.1, Number of students in government subsidised training by age, 2010 to 2014 (half year)

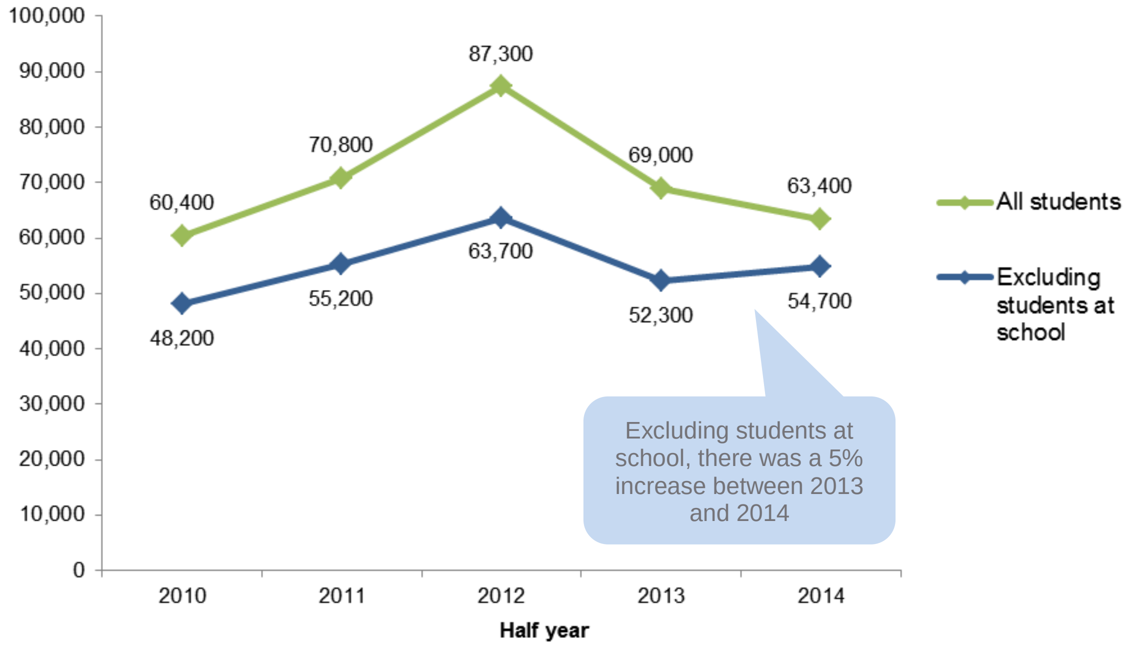
	2010	2011	2012	2013	2014
15 to 19	60,400	70,800	87,300	69,000	63,400
20 to 24	49,700	60,900	76,700	67,500	69,900
25 to 44	69,000	88,300	122,500	108,700	114,300
45 to 64	34,100	44,100	63,600	56,200	58,000
Under 15, over 64, not stated	3,700	3,900	6,900	6,300	6,400
Total	**216,900**	**268,000**	**356,900**	**307,800**	**311,900**

Table 9.2, Change in number of students in government subsidised training by age, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
15 to 19	5%	-10%	-27%	-8%
20 to 24	41%	15%	-9%	4%
25 to 44	66%	29%	-7%	5%
45 to 64	70%	31%	-9%	3%
Under 15, over 64, not stated	73%	63%	-7%	1%
Total	**44%**	**16%**	**-13%**	**1%**

From November 2013 students still at school could only access VTG subsidised training if it was part of the school curriculum, for example a School Based Apprenticeship or Traineeship. To account for this change the following figures shows the numbers of students aged 15 to 19 years, excluding school students.

Figure 26, Number of students aged 15 to 19 years enrolled in government subsidised training by whether at school, 2010 to 2014 (half year)



There have been ongoing increases across all age groups in the number of government subsidised enrolments in specialised occupations or occupations with a known skills shortage. Students aged 25 to 44 years showed the largest increase of 24 per cent compared to 2013.

The proportion of enrolments increased across all age groups, for all industry specific enrolments that were in shortage or specialised occupations. The 15 to 19 year old age group showed the largest proportional increase (from 37 per cent in 2013 to 43 per cent in 2014).

Figure 27, Number of government subsidised enrolments that were in shortage or specialised occupations by age, 2013 to 2014 (half year)

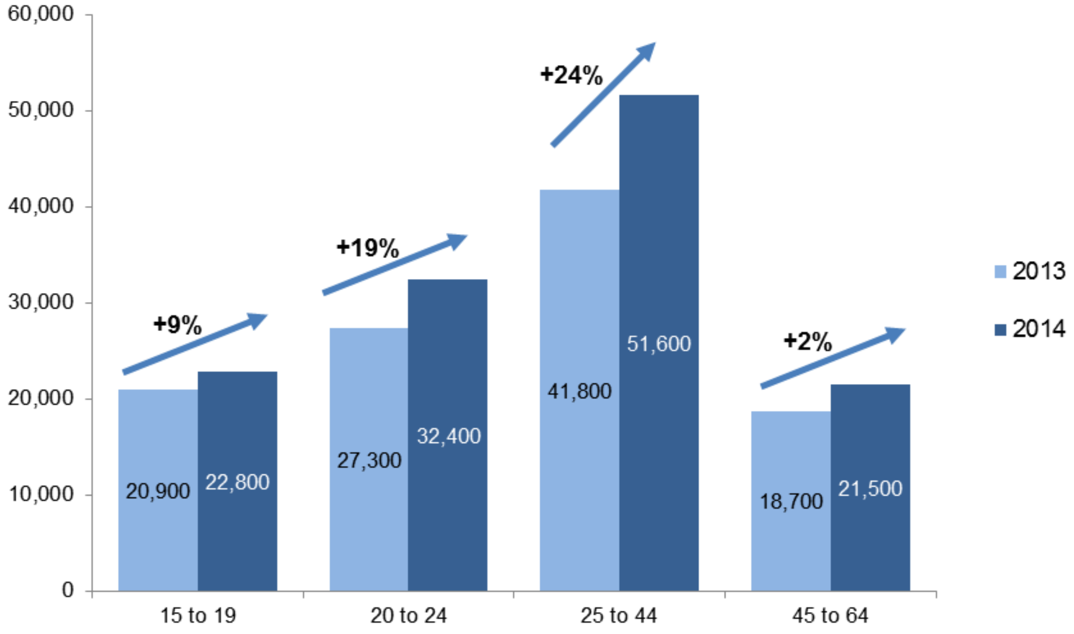


Table 10, Percentage of industry specific government subsidised enrolments that were in shortage or specialised occupations by age, 2013 to 2014 (half year)

	2013	2014
15 to 19	37%	43%
20 to 24	46%	51%
25 to 44	47%	52%
45 to 64	45%	48%
Under 15, over 64, not stated	36%	36%

Participation by region

This section presents data on where students undertaking government subsidised training live. Areas reported are either the four departmental administrative regions or the nine smaller geographical regions.

The data does not take into account where the training occurs, therefore, students may be undertaking their training locally, travelling outside their local region, or by distance learning.

Of the departmental regions, North Eastern Victoria showed the largest change between 2013 and 2014, with a 4 per cent decline in the number of students who were enrolled in government subsidised training. South Western Victoria has the largest growth with an increase of 4 per cent since 2013.

Table 11.1, Number of students enrolled in government subsidised training by departmental region, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
North Eastern Victoria	46,500	57,300	72,500	61,700	59,000
North Western Victoria	48,800	61,200	77,300	67,700	69,300
South Eastern Victoria	59,300	72,300	97,300	84,200	84,000
South Western Victoria	57,800	73,500	104,800	90,000	93,600
Other	4,500	3,500	4,900	4,200	6,000
Total	**216,900**	**268,000**	**356,900**	**307,800**	**311,900**

Other includes other, not stated and interstate

Table 11.2, Change in number of students enrolled in government subsidised training by departmental region, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
North Eastern Victoria	27%	3%	-19%	-4%
North Western Victoria	42%	13%	-10%	2%
South Eastern Victoria	42%	16%	-14%	0%
South Western Victoria	62%	27%	-11%	4%
Other	32%	70%	23%	41%
Total	**44%**	**16%**	**-13%**	**1%**

Other includes other, not stated and interstate

Of the geographical regions, Western Metropolitan Melbourne showed the largest increase in participation over the year, with an increase of 8 per cent in the number of students enrolled in government subsidised training. Loddon Mallee had the largest reduction with a decline of 9 per cent between 2013 and 2014.

Table 12.1, Number of students in government subsidised training by region, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Barwon South West	18,800	22,400	30,000	23,100	22,400
Grampians	9,500	11,300	14,300	12,300	12,200
Loddon Mallee	13,200	16,400	21,800	17,900	16,200
Hume	12,500	14,100	17,800	16,900	15,700
Gippsland	13,300	13,600	15,500	12,600	12,200
Eastern Metropolitan	34,000	43,200	54,700	44,800	43,200
Western Metropolitan	29,500	39,900	60,500	54,600	59,000
Southern Metropolitan	46,000	58,700	81,800	71,600	71,800
Northern Metropolitan	35,500	44,800	55,500	49,800	53,100
Other	4,500	3,500	4,900	4,200	6,000
Total	**216,900**	**268,000**	**356,900**	**307,800**	**311,900**

Other includes other, not stated and interstate

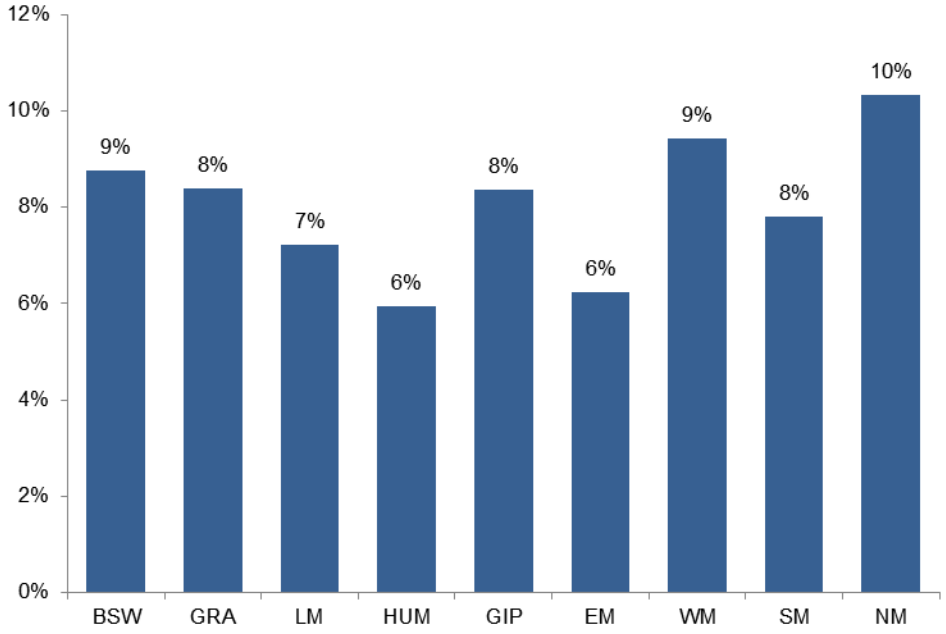
Table 12.2, Change in number of students in government subsidised training by region, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Barwon South West	19%	0%	-25%	-3%
Grampians	28%	8%	-15%	0%
Loddon Mallee	22%	-1%	-26%	-9%
Hume	26%	12%	-12%	-7%
Gippsland	-9%	-10%	-22%	-4%
Eastern Metropolitan	27%	0%	-21%	-3%
Western Metropolitan	100%	48%	-2%	8%
Southern Metropolitan	56%	22%	-12%	0%
Northern Metropolitan	50%	19%	-4%	7%
Other	32%	70%	23%	41%
Total	**44%**	**16%**	**-13%**	**1%**

Other includes other, not stated and interstate

In the first half of 2014, the Northern Metropolitan region had the highest participation rate, followed by the Western Metropolitan region and Barwon South West.

Figure 28, Participation rate of 15 to 64 year olds in government subsidised training in 2014 (half year)



Case study: Dudley Bibby
Certificate IV in Agriculture

Dudley Bibby says he loved everything about agricultural college – even the assignments.

"It was really practical. I spent some time in the library, but often your research is jumping your neighbour's fence and having a bit of a look around," he says.

Dudley, 19, is a fourth-generation farmer who works on his family's 2000-hectare sheep and crops farm in the Wimmera region. In March, he graduated with a Certificate IV in Agriculture from Longerenong College and was Dux of his course.

"It was hard work, but when you're keen on something doesn't really matter," he says.

Dudley says the course clarified old techniques and introduced him to innovative approaches. He now uses cropping techniques that aim to maximise soil health by retaining essential microbes.

Using GPS technology, he ensures seeds are planted precisely, in rows adjacent to the crops of previous seasons.

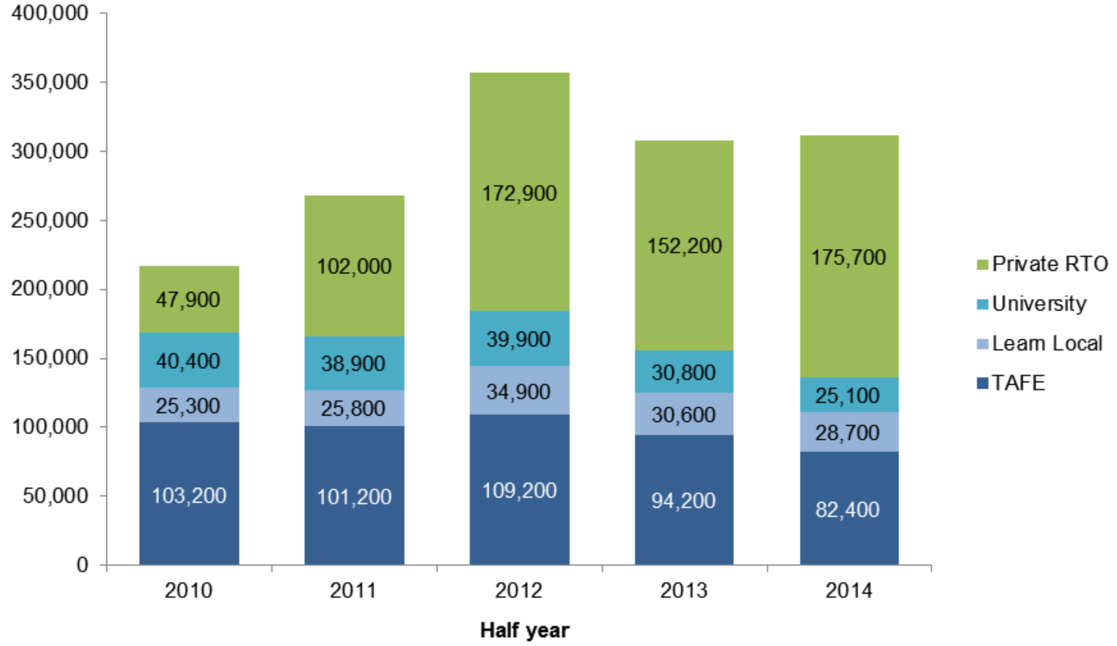
"There's always new info and better techniques and technology – it's always a challenge," he says.

Share of students and enrolments by sector

Private RTOs continue to have the largest share of enrolments in government subsidised training.

Of the 311,900 students enrolled in government subsidised training in the first half of 2014, 175,700 were with private RTOs; 82,400 were with TAFEs, 28,700 were with Learn Locals and 25,100 were with universities.

Figure 29, Number of students in government subsidised training by sector, 2010 to 2014 (half year)



Additional detail on changes to enrolment patterns by training provider sector is included in the Appendix.

Table 13, Number of government subsidised enrolments and TAFE fee-for-service AQF I+, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	32,600	32,500	45,100	40,100	36,300
University	48,600	48,300	55,400	40,900	27,200
Private RTO	52,600	112,000	200,500	180,000	214,300
TAFE	121,800	127,600	157,100	138,300	100,200
Subtotal	**255,600**	**320,400**	**458,100**	**399,200**	**378,000**
TAFE fee-for service	43,100	41,400	54,300	50,200	54,700
Total	**298,700**	**361,800**	**512,400**	**449,400**	**432,700**

The following figure summarises training activity by TAFEs, universities, private RTOs and Learn Locals, based on:

- Proportional share of enrolments by qualification level
- Proportional share of enrolments by industry
- Learner profile.

Figure 30, overview of training delivery by sector

Profile of Government Subsidised Market

TAFE	University	Private RTOs	Learn Local
Proportional share of enrolments by qualification - all course levels			
• 61% of total TAFE enrolments were in Certificate III-IV, followed by • Diploma and above (16%), • Certificate I-II (14%), and • Secondary Education, SoA[3] and Other (9%) All TAFEs had enrolments of the above course levels.	• 48% of total Dual Sector enrolments were in Certificate III-IV, followed by • Diploma and above (37%), • Certificate I-II (10%), and • Secondary Education, SoA[3] and Other (5%). All Dual Sector providers had enrolments of the above course levels.	• 74% of total private RTO enrolments were in Certificate III-IV: available at 379 RTOs, followed by • Certificate I-II (16%): available at 179 RTOs, • Diploma and above (10%): available at 205 RTOs and • Module Only, Secondary Education and SoA (1%): available at 24 RTOs.	• 34% of total enrolments in the Learn Local sector were in Module Only: available at 203 providers, followed by • Certificate III-IV (25%): available at 90 providers, • Certificate I-II (21%): available at 90 providers, • Secondary Education and SoA (16%): available at 71 providers and • Diploma and above (4%) - available at 33 providers.
Proportional share of enrolments by industry[1] - AQF1 and above			
Study areas spread across all industries, with top five enrolment shares in: • Construction (24%) • Health Care and Social Assistance (16%) • Manufacturing (9%) • Other Services (8%) • Cross-Industry[2] (7%)	Study areas spread across almost all industries, with top five enrolment shares in: • Construction (25%) • Health Care and Social Assistance (19%) • Professional, Scientific and technical Services (14%) • Cross-industry(12%) • Manufacturing (8%)	Study areas spread across all industries, with top five enrolment shares in: • Health Care and Social Assistance (25%) • Cross-industry (15%) • Transport, Postal and Warehousing (13%) • Manufacturing (13%) • Construction (7%)	Study areas concentrate on certain industries, with top five enrolment shares in: • Health Care and Social Assistance (61%) • Cross-industry (10%) • Accommodation and Food Services (9%) • Education and Training (7%) • Other Services (3%)
Learner profile (students) - all course levels			
• Aged 15-19: 29% • Aged 20-24: 29% • Aged 25-44: 30% • Aged 45-64: 12% • Under 15, Over 64, Not stated: <1%	• Aged 15-19: 33% • Aged 20-24: 33% • Aged 25-44: 25% • Aged 45-64: 8% • Under 15, Over 64, Not stated: <1%	• Aged 15-19: 15% • Aged 20-24: 20% • Aged 25-44: 42% • Aged 45-64: 21% • Under 15, Over 64, Not stated: 2%	• Aged 15-19: 16% • Aged 20-24: 10% • Aged 25-44: 31% • Aged 45-64: 32% • Under 15, Over 64, Not stated: 11%
• 63% males	• 60% males	• 51% females	• 68% females
• 60% in employment[5] • 18% unemployed[5] • 21% not in the labour force[5]	• 61% in employment • 21% unemployed • 18% not in the labour force	• 59% in employment • 35% unemployed • 6% not in the labour force	• 35% in employment • 35% unemployed • 30% not in the labour force
• 8% with disability	• 9% with disability	• 7% with disability	• 26% with disability
• 34% did not complete Year 12 or certificate II prior VET study[5]	• 21% did not complete Year 12 or certificate II prior VET study	• 34% did not complete Year 12 or certificate II prior VET study	• 50% did not complete Year 12 or certificate II prior VET study

1. Industry classification is only applicable to courses at Australian Qualification Framework Level I and above.
2. Cross-industry courses like project management.
3. SoA refers to Statement of Attainment.
4. Proportions exclude values such as unknown and not stated.
5. Due to a system issue for a large metropolitan TAFE training provider, information on the labour force status and highest school level completed of enrolling students was not able to be provided to the Department. The data reporting issue of this provider will be addressed in the end of year report.

More opportunities to train for the people who will benefit most

A significant increase in participation in training has been driven by the increase in the range of providers, who offer a broader choice of courses, at different times, locations and delivered in more flexible ways.

Victoria's training system is designed to be responsive to individual need. The learners who are most in need of training often experience multiple challenges. They can have complex learning needs and significant barriers to engaging in education and training, including:

- Low levels of literacy and numeracy
- Relatively low levels of previous educational achievement
- Low aspirations
- Barriers, such as poverty, homelessness, and poor health.

While need is specific to individual circumstances and capabilities, the Department monitors participation in training (and increasingly higher education) by a range of cohorts who are likely to benefit most from gaining training and tertiary qualifications.

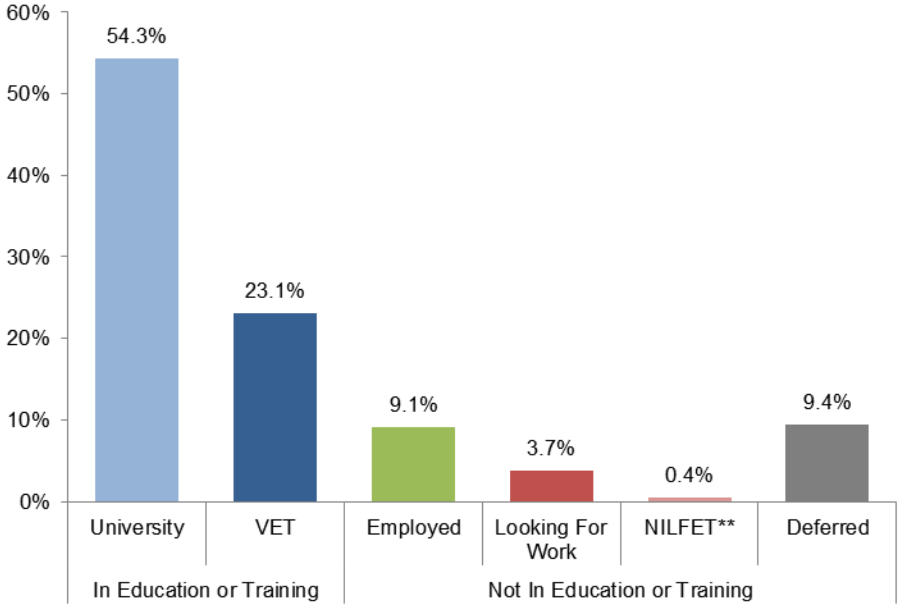
The numbers of Victorians who face barriers to workforce participation and who are participating in training have continued to increase, generally at or above the rate shown by students overall.

School leavers

More students are making transitions from school to both higher education and VET. 77 per cent of Victorian Year 12 completers from 2013 went into higher education or VET in 2014.

23.1 per cent of these completers went onto a VET course. This was marginally up on the previous year's result. Generally there has been a progressive shift to higher education over VET.

Figure 31, Destinations of Year 12 completers, 2014 On Track Survey of 2013 Year 12* completers



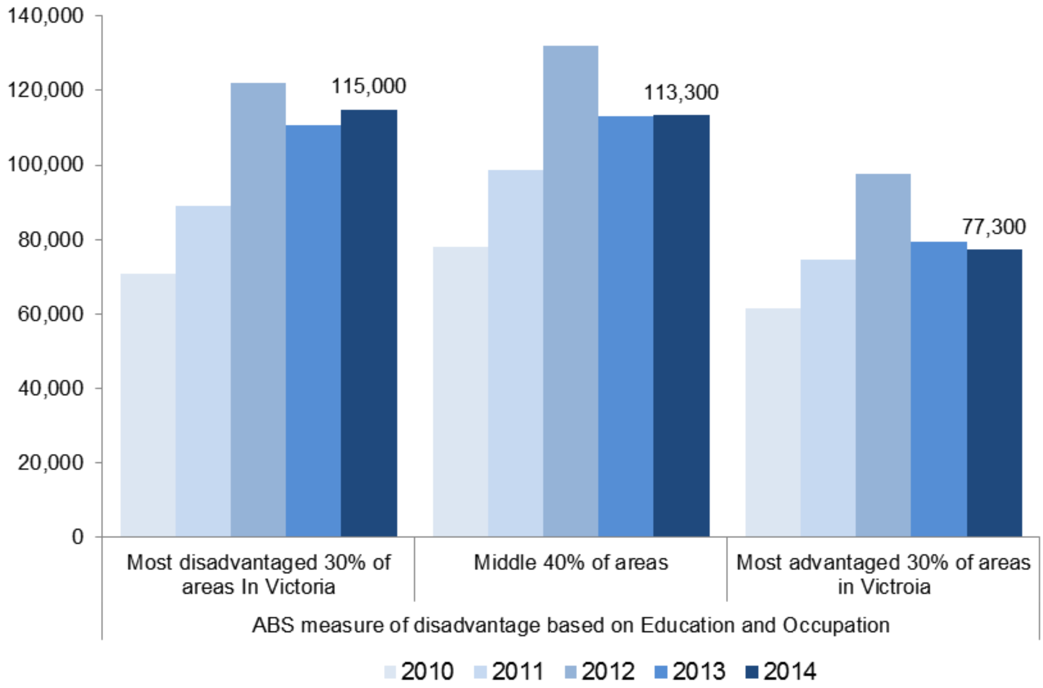
*Year 12 completers are defined as those who completed a Victorian Certificate of Education (VCE), International Baccalaureate (IB) or Victorian Certificate of Applied Learning (VCAL, Senior or Intermediate) in 2013.

**NILFET, Not in the Labour Force, Education or Training

Areas with concentrated disadvantage

Matching the postcode location of students in government subsidised training against the ABS Index of Education and Occupation (ABS IEO) shows that there has been growth in the number of students in training in the most disadvantaged areas of the State. In those areas with the lowest levels of educational and occupational status, i.e. the most disadvantaged, students in training increased by 4 per cent on 2013, and 62 per cent since 2010.

Figure 32, Number of students in government subsidised training by the educational and occupational status of student's local area*



**Area for the purpose of the above analysis is postcode*

The ABS IEO[11] identifies the areas of the State with the lowest or most disadvantaged score. For example, an area could have a low result (more disadvantaged) if there are:

- Many people without qualifications, or many people in low skilled occupations or many people unemployed
- Few people with a high level of qualifications or in highly skilled occupations.

The most advantaged areas had relatively higher education and occupation status. For example, an area could have a high result (more advantaged) if there are:

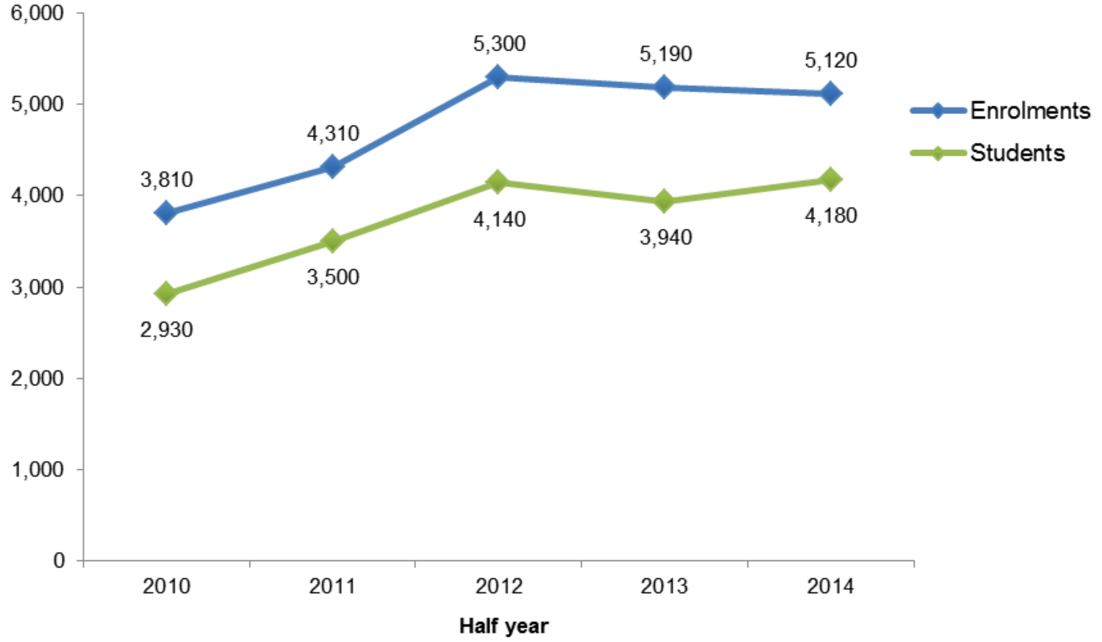
- Many people with higher education qualifications or many people in highly skilled occupations
- Few people without qualifications or few people in low skilled occupations.

[11] ABS Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2011. While 2011 Census is three year old it still provides a useful measure of disadvantage.

Indigenous students in training

Between 2013 and 2014, the number of Indigenous students enrolled in government subsidised training increased by 6 per cent while government subsided enrolments decreased by 1 per cent.

Figure 33, Number of Indigenous students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (Half year)



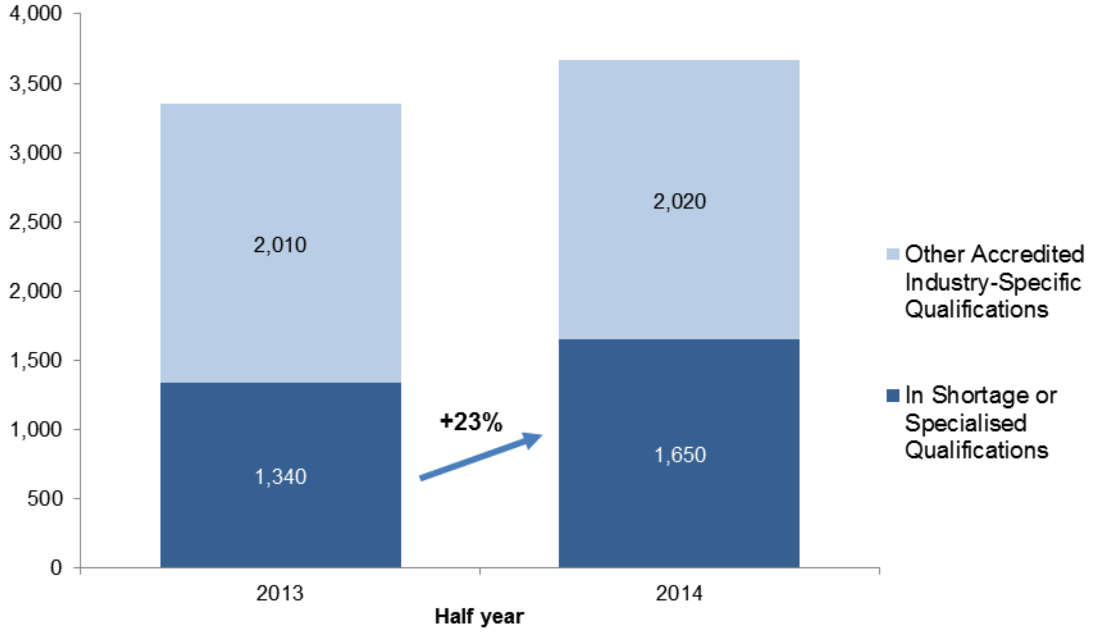
Most (59 per cent) Indigenous students were undertaking government subsidised training at the Certificate III-IV level in 2014; this was higher than 2013 (55 per cent) and higher than 2010 (46 per cent).

The number of government subsidised enrolments by Indigenous students that were at the Certificate III-IV level in 2014 increased by 16 per cent on 2013 and by 93 per cent on 2010.

In 2014, 63 per cent of government subsidised enrolments for Indigenous students were in the top six employing industries in Victoria, up from 61 per cent in 2013 and 46 per cent in 2010.

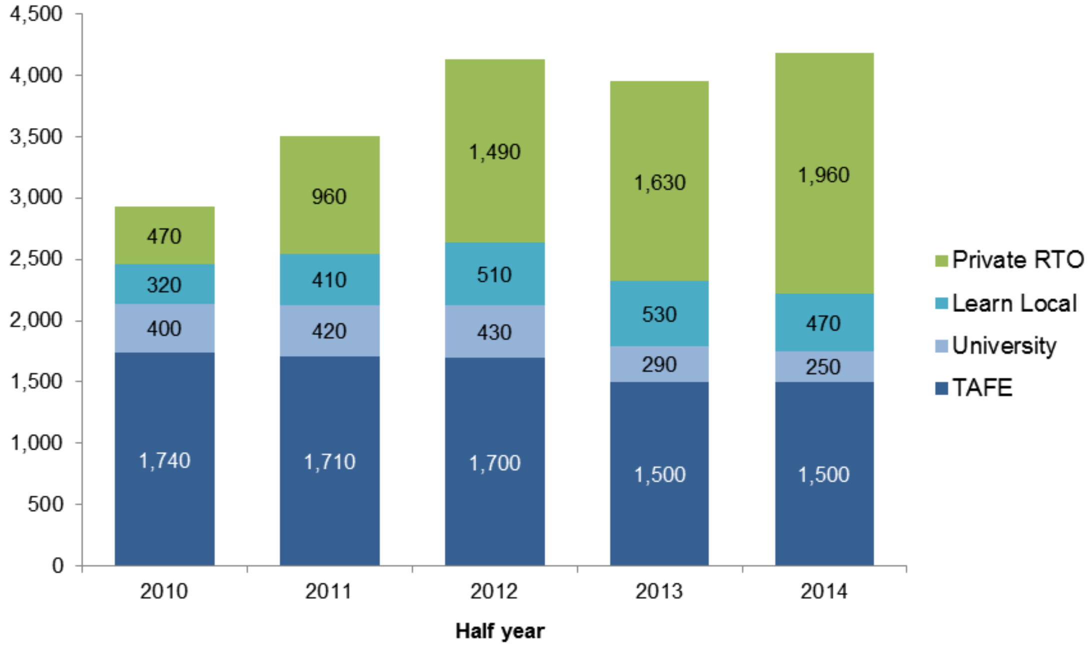
Almost all of the increase in industry specific enrolments by Indigenous students where in specialised or in shortage occupations which were more likely to provide more secure job pathways for these students. These enrolments increased by 23 per cent in 2014.

Figure 34, Number of government subsidised enrolments that were in shortage or specialised occupations by Indigenous students, 2013 to 2014 (half year)



Indigenous students chose to enrol in all sectors of the training market, with the largest number of students choosing private RTO's.

Figure 35, Share of government subsidised Indigenous students by sector, 2010 to 2014 (half year)



Case study: Dianne Attard Certificate III Children’s Services Diploma of Children’s Services

Dianne Attard says studying saved her during the worst period of her life.

“I lost my daughter, grandson and son-in-law in a car accident. I hit rock-bottom. . . I wanted to find something to help me get back a normal life.”

Dianne, who also has three young sons, had been volunteering at Bubup Wilam, an early learning centre for Aboriginal children. She had noticed how her sons were showing signs of trauma, and was eager to understand their behaviour.

The centre offered her a scholarship, and over three years she completed a Certificate III and Diploma of Children’s Services through NMIT.

“I learned so much and have a job I love,” Dianne says. “Just being here with the children – they are so beautiful.

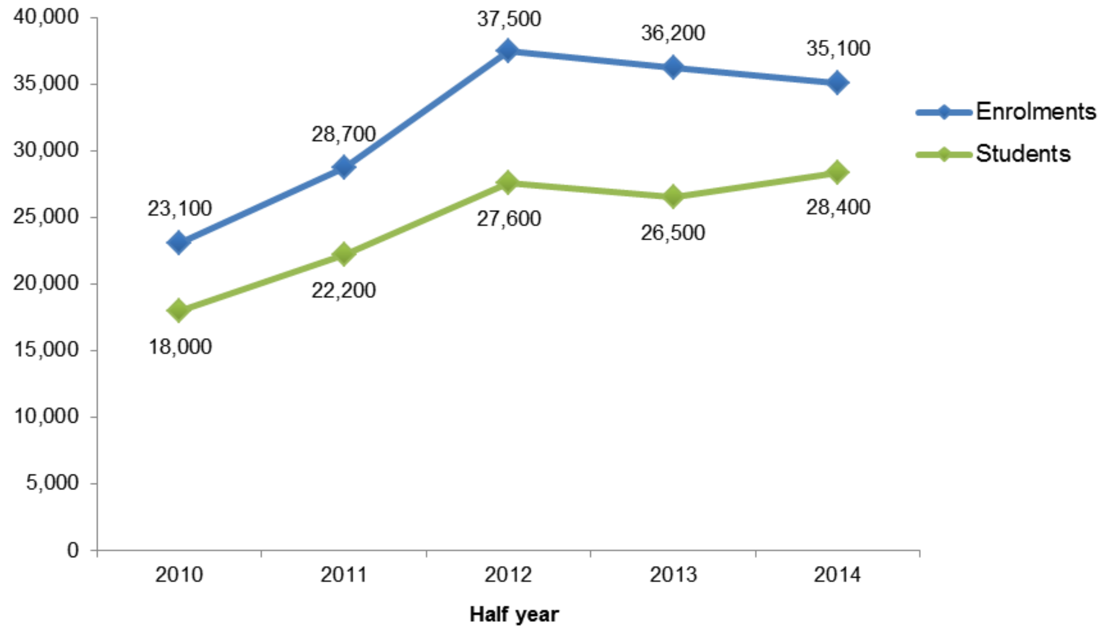
Along with working at the centre, Dianne has become an Indigenous ambassador, researching her family’s past and delivering presentations at the centre and at NMIT.

Students with disabilities

In the first six months of 2014 there were 28,400 students in government subsidised training who indicated that they had a disability, impairment or long-term condition, an increase of 7 per cent on 2013 and 58 per cent on 2010.

The number of government subsidised enrolments of these students decreased by 3 per cent when compared to 2013 and increased by 52 per cent when compared to 2010.

Figure 36, Number of students with a disability enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

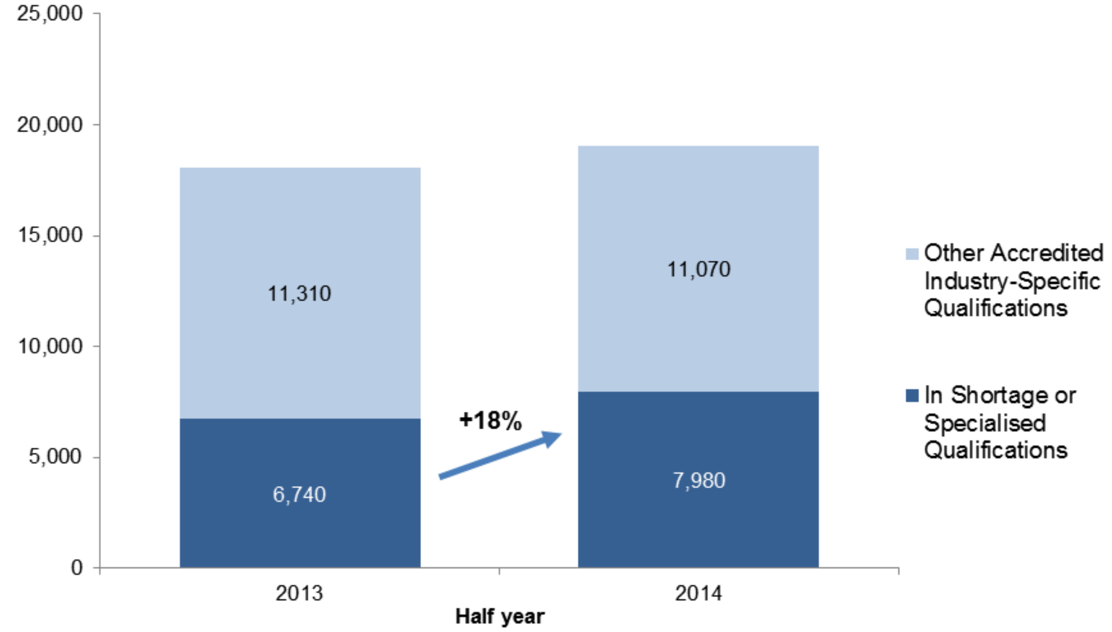


Students with disabilities follow the overall trend with increasing numbers in higher-level Certificate enrolments. In 2014, 49 per cent of government subsidised enrolments of these students were in Certificate III or higher qualifications.

There has been a steady improvement in alignment of training with job prospects.

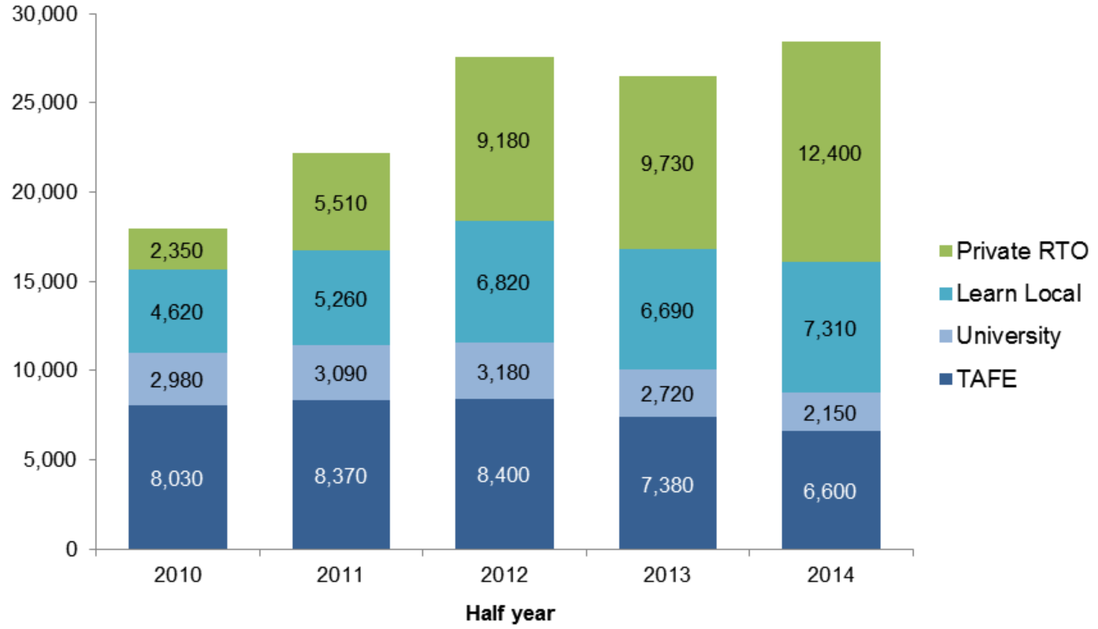
59 per cent enrolments were in the top 6 industries, up from 58 per cent in 2013 and up from 53 per cent in 2010. Enrolments in "in shortage" or specialised occupations increased by 18 per cent compared to 2013.

Figure 37, Number of government subsidised enrolments that were in shortage or specialised occupations by students with a disability, 2013 to 2014 (half year)



44 per cent of students with disabilities were enrolled with private RTOs. The number of students in private RTOs has increased substantially from 2010 where there were only 2,350 students enrolled in government subsidised training to the first six months of 2014 where there were 12,400 students.

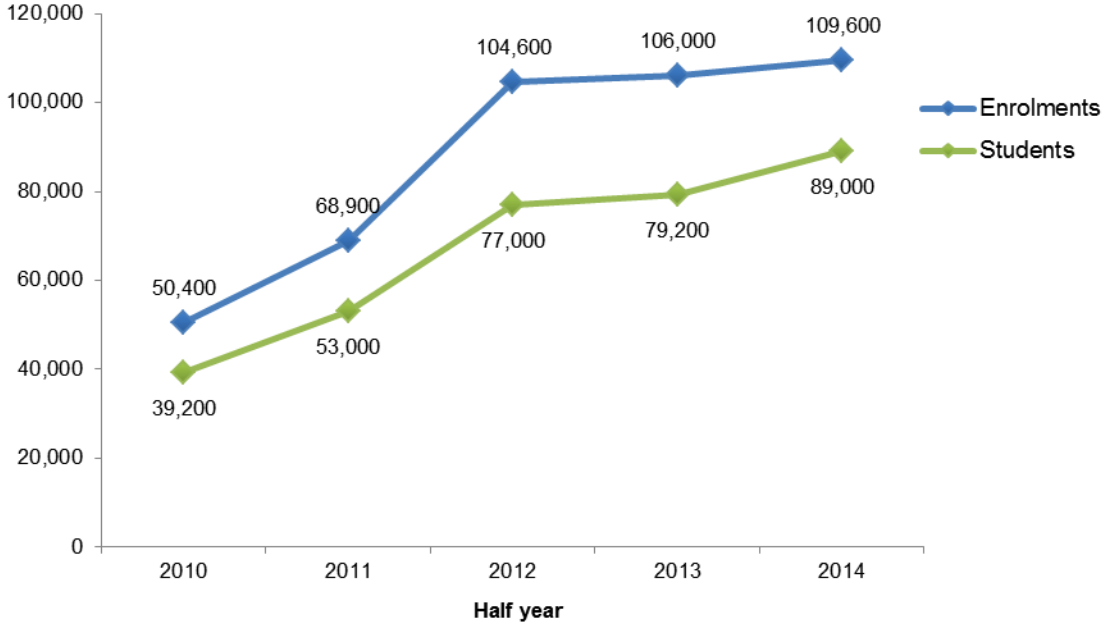
Figure 38, Number of students with a disability enrolled in government subsidised training by sector, 2010 to 2014 (half year)



Unemployed students[12]

In the first six months of 2014 there were 89,000 Victorian students enrolled who were unemployed and therefore undertaking government subsidised training to help them overcome barriers to workforce participation. This is up by 12 per cent on the same time in 2013.

Figure 39, Number of unemployed students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)



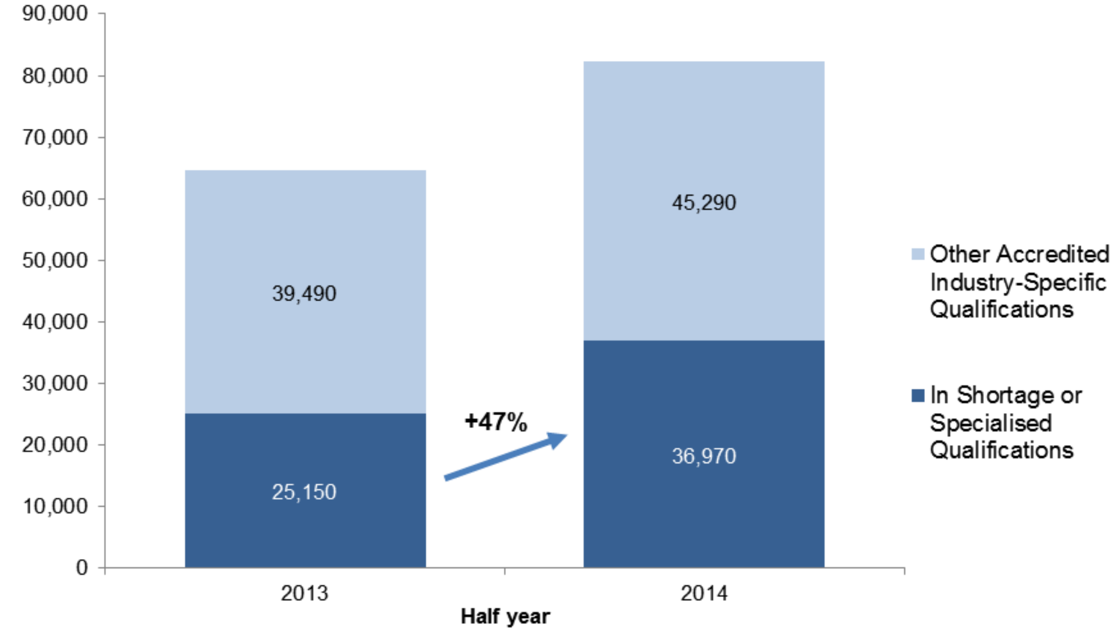
70 per cent of government subsidised enrolments by unemployed students are at the Certificate III level or higher. This reflects the overall trend toward enrolments in higher Certificate level.

In 2014, 60 per cent of government subsidised enrolments by unemployed students were in the top 6 employing industries in Victoria, this was up from 58 per cent in 2013 and 55 per cent in 2010.

In 2014, 45 per cent of industry specific enrolments by unemployed students were in specialised or in shortage occupations, this is the training that is more likely to provide opportunities for secure employment this was up on 39 per cent in 2013. Training for unemployed students for “in shortage” or specialised occupations increased by 47 per cent between 2013 and 2014.

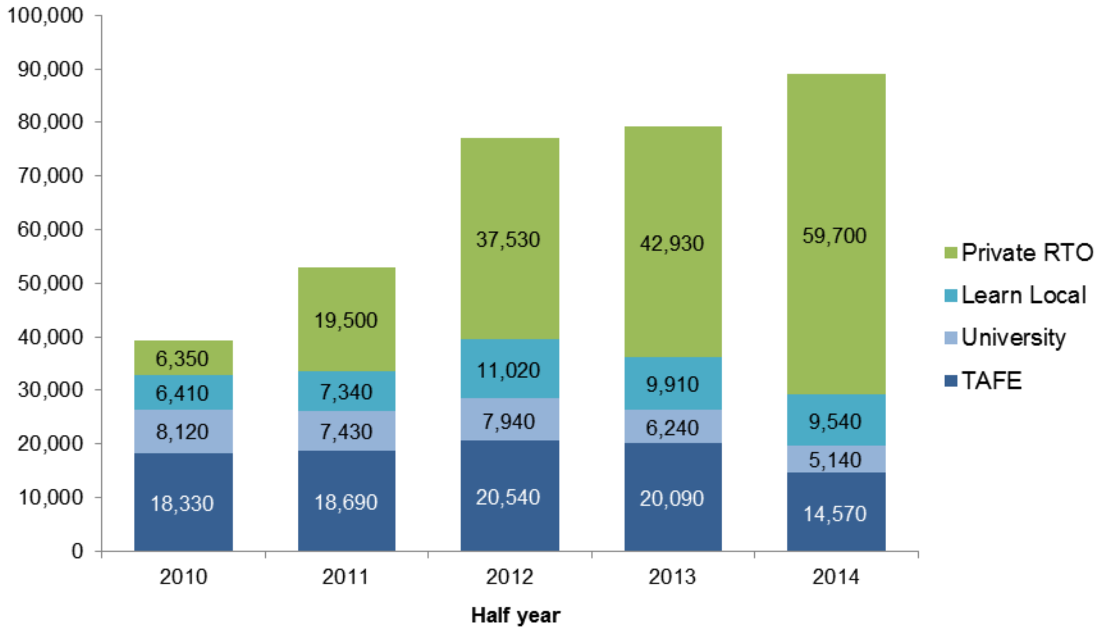
[12] Due to a system issue for a large metropolitan training provider, information on the labour force status of enrolling students could not be provided to the Department. Offline analysis of data has identified that there were 1,900 likely students who were unemployed but were not coded as such in the system data for this provider. This will be addressed in the end of year report.

Figure 40, Number of government subsidised enrolments that were in shortage or specialised occupations by unemployed students, 2013 to 2014 (half year)



The majority of the growth of training for unemployed students has been delivered by private RTOs, with 67 per cent of all unemployed students enrolled with private RTOs in 2014.

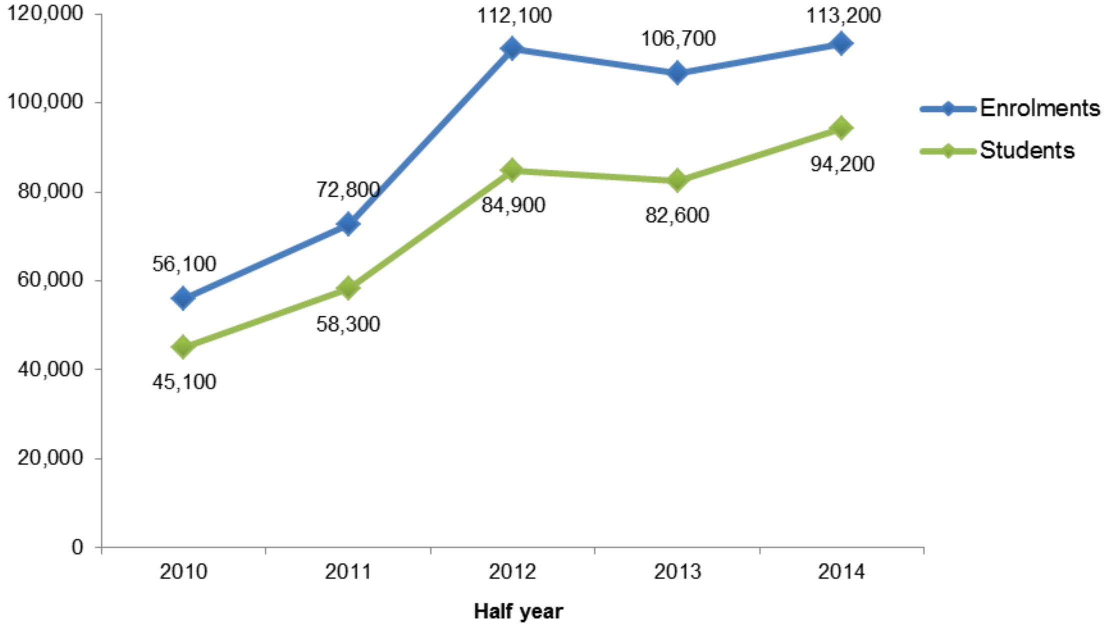
Figure 41, Number of unemployed students enrolled in government subsidised training by sector, 2010 to 2014 (half year)



Culturally and Linguistically Diverse (CALD) students

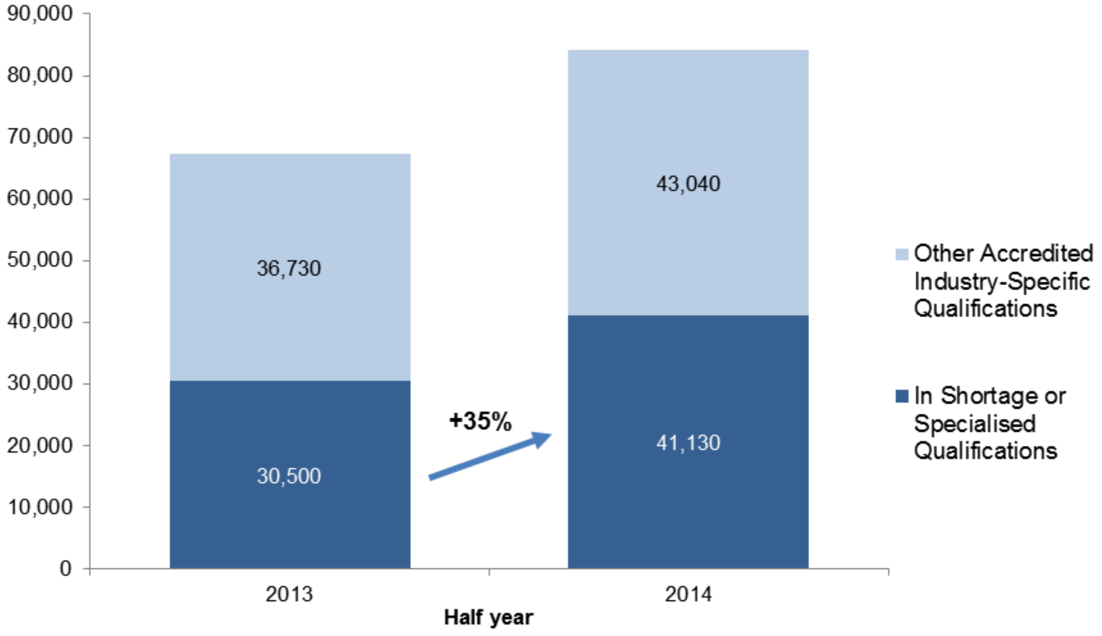
94,200 CALD students enrolled in the first half of 2014, up 14 per cent on 2013 and 109 per cent on 2010. Enrolments were up 6 per cent on 2013 and 102 per cent on 2010.

Figure 42, Number of CALD students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)



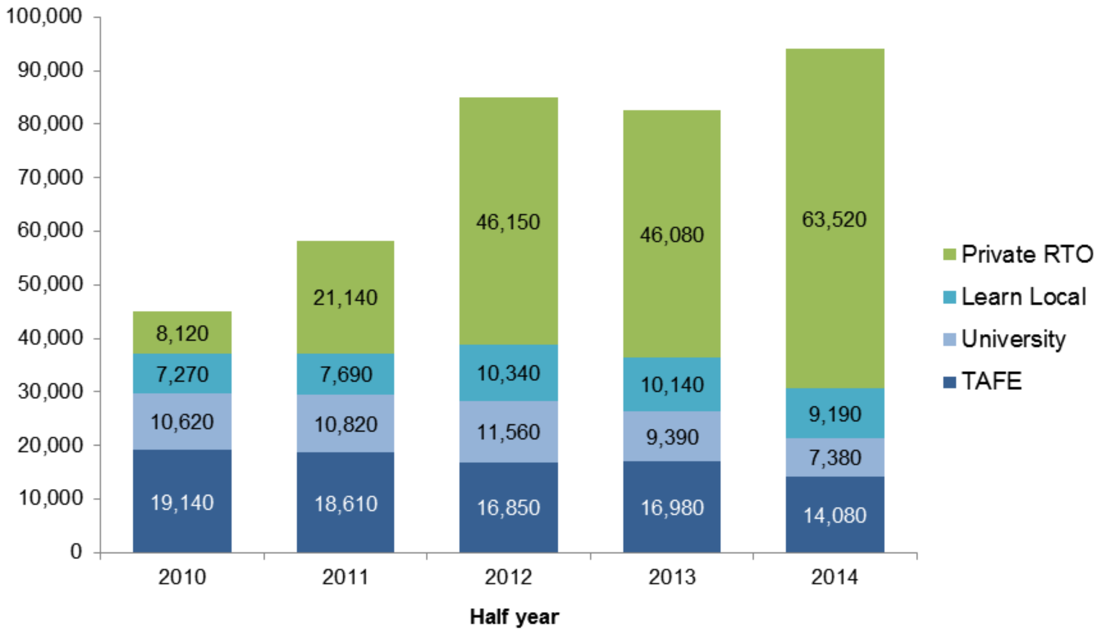
Compared to 2013, there was a 35 per cent increase in enrolments in specialised or in shortage occupations by this cohort. In 2014 the percentage of industry specific enrolments in specialised or in shortage occupation was 49 per cent up from 45 per cent in 2013. Some 67 per cent of government subsidised enrolments in 2014 were in the top six employing industries.

Figure 43: Number of government subsidised enrolments that were in shortage or specialised occupations by CALD students, 2010 to 2014 (half year)



67 per cent of CALD students chose to enrol in a private RTO.

Figure 44, Number of CALD students enrolled in government subsidised training by sector, 2010 to 2014 (half year)



Young people 15–19 years who are not at school and do not have at least Year 12 or a Certificate II

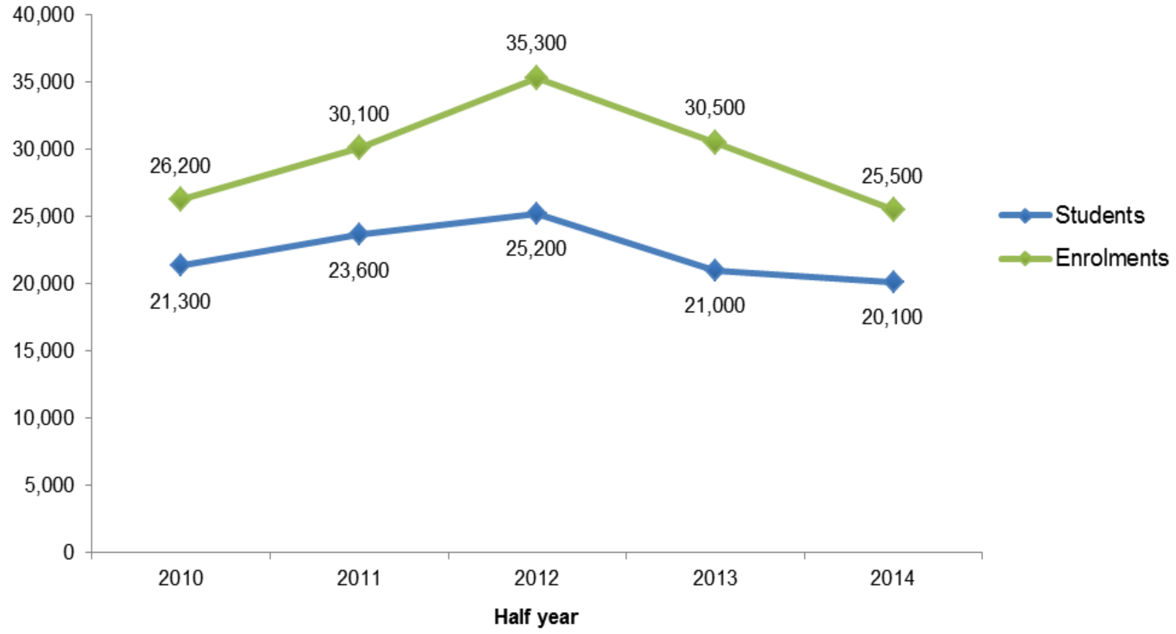
As more occupations become more skilled, entry to the labour market is becoming more challenging without at least a Certificate III qualification and some work experience. Young, low skilled workers are especially at risk of unemployment or underemployment.

The vast majority (83.4 per cent) of Victorian 15 to 19 year olds are estimated by the ABS[13] as attending full time education or training.

ABS labour force data for July 2014 estimates that there were about 12,100 young people aged 15 to 19 years who indicated that they were unemployed and looking for full-time work, this represented 3.4 per cent of all young people in that age group. Of these young people 8,300 were not in full time education; this would represent 2.3 per cent of all young people aged 15 to 19 years.

Over 2010 to 2014 retention rates at school (year 10-12) improved from 86.1 per cent to 88.1 per cent. This may explain, in part, the drop in the number of young people who are not at school and who do not have at least Year 12 or a Certificate II who were enrolled in government subsidised training in 2014 (half year). This figure was 20,100 in 2014, down by 4 per cent compared to 2013 and 6 per cent compared to 2010. The 2014 figure is likely to be a slight undercount, however, given coding errors by a large metropolitan training provider.[14]

Figure 45, Numbers of young people 15–19 years who are not at school and do not have at least Year 12 or a Certificate II enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)



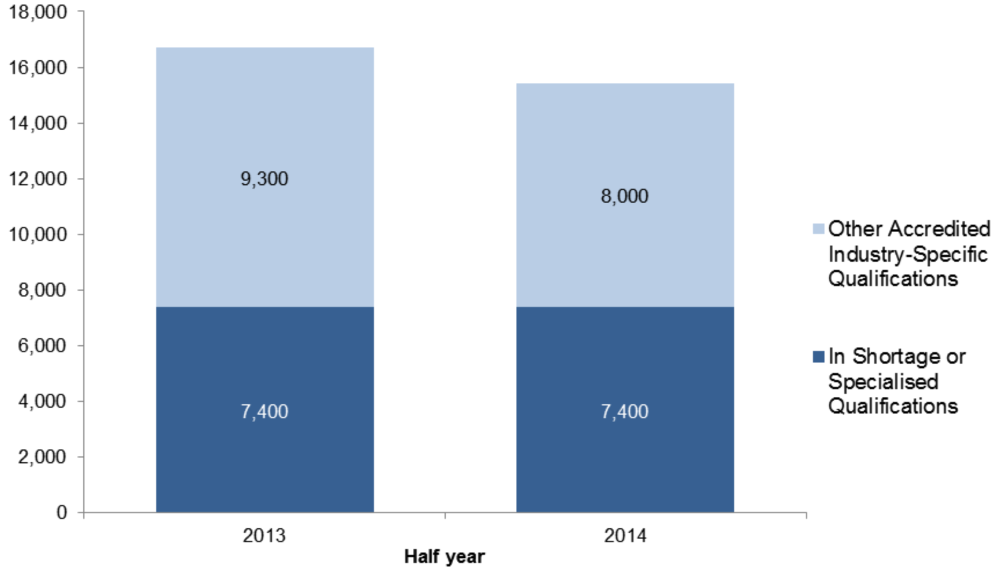
[13] ABS Labour Force (Cat. 6202.0) July 2014

[14] Due to a system issue for a large metropolitan training provider, information on the highest year of schooling of enrolling students could not be provided to the Department. The data submission incorrectly coded all students as having completed Year 12. Offline analysis of this data has identified that there were about 3,000 students who had not completed a Year 12 but were incorrectly coded as having completed. About 25 per cent of these students were aged between 15 and 19 years of age. This data issue will be addressed for the full end of year training market report.

The mix of training enrolled by these students has been changing between 2010 and 2014. There has been an increase in enrolments in senior certificate courses (VCE or VCAL) by 15 to 19 year olds not in school who do not have Year 12 or Certificate II. There were 5,300 enrolments in Senior Secondary Certificate courses in the first six months of 2014, up by 45 per cent on 2013 and up by 57 per cent on 2010. Enrolments in Certificate I-II courses decreased by 53 per cent in 2014 compared to 2013. Enrolments in Certificate III decreased by 6 per cent compared to 2013. While enrolment numbers in Certificate IV are small, there was an increase of 12 per cent compared to 2013.

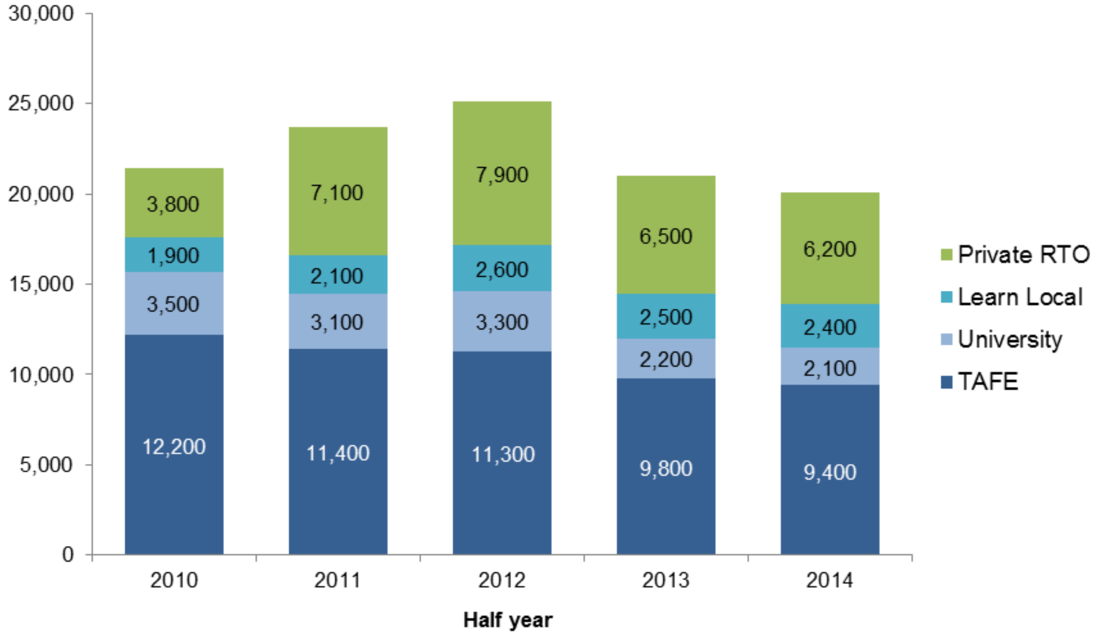
More young people enrolled in courses aligned to key areas of the economy, with 59 per cent of the enrolments of these young people in courses in the top six employing industries in Victoria. Training in this age cohort for in shortage or specialised occupations has stayed stable between 2013 and 2014. Participation in training for other occupations has declined. About 48 per cent of industry specific training was in specialised and in shortage occupations in 2014 (half year).

Figure 46, Number of government subsidised enrolments that were in shortage or specialised occupations by young people 15-19 years who are not at school and do not have at least Year 12 or a Certificate II, 2013 to 2014 (half year)



TAFEs had the largest share of students aged 15-19 who did not have at least Year 12 or a Certificate II qualification, with 47 per cent of the students.

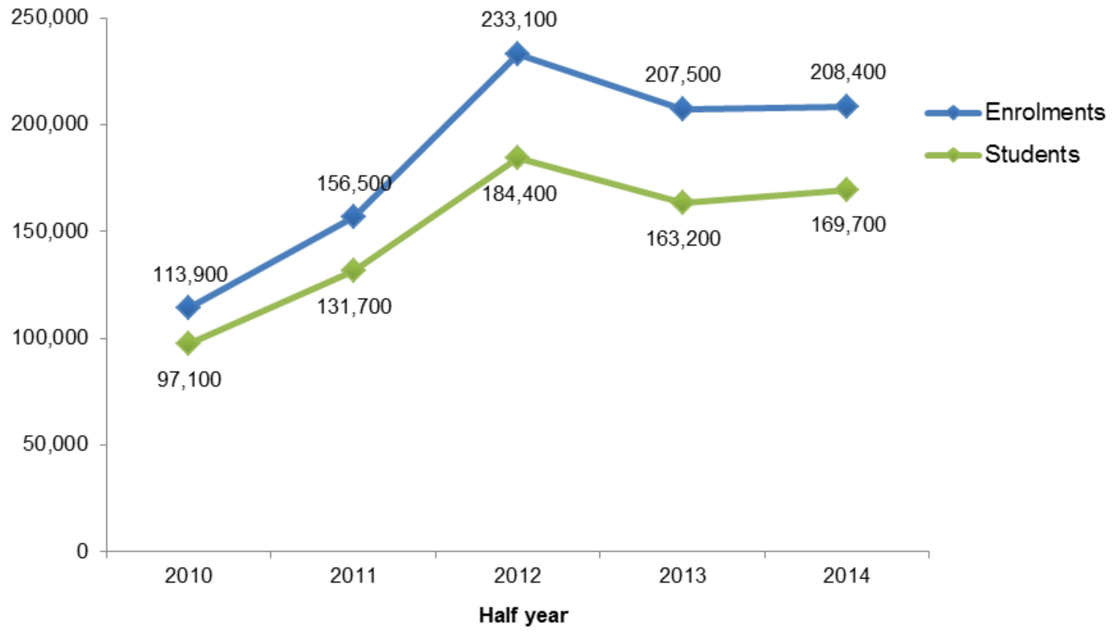
Figure 47, Number of young people 15-19 years who are not at school and do not have at least Year 12 or a Certificate II, 2010 to 2014 (half year)



Students 20 to 64 years not holding a Certificate III and above in training

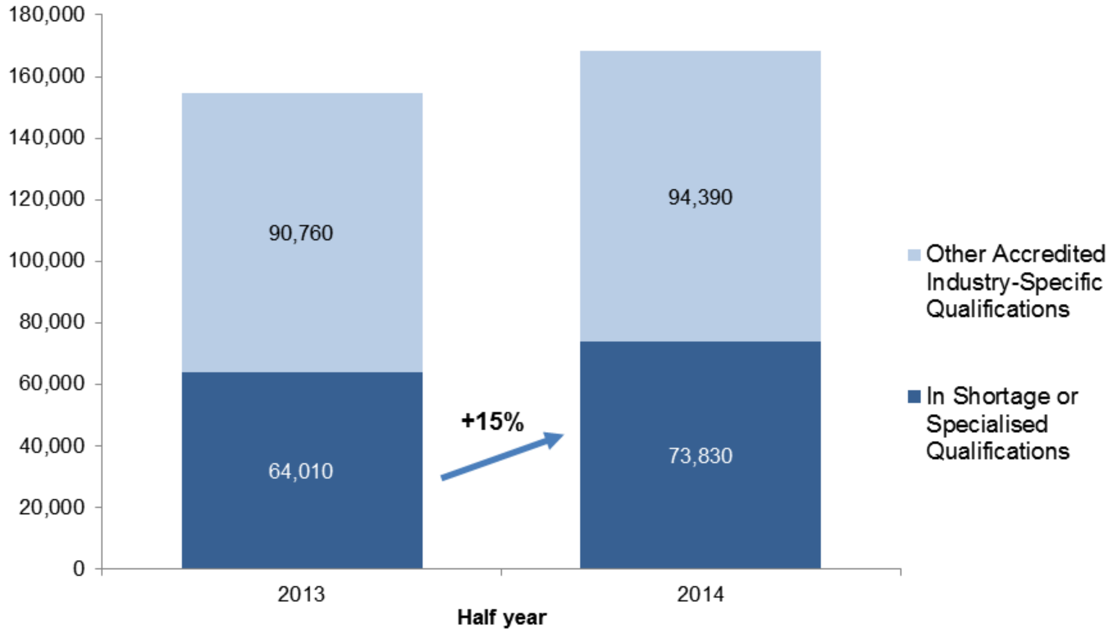
169,700 students aged over 20 who do not hold entry level (Certificate III) qualifications enrolled in the first half of 2014, up 4 per cent on 2013 and 75 per cent on 2010. Enrolments grew marginally compared to 2013, with 83 per cent more since 2010.

Figure 48, Numbers of students 20 to 64 years without at least Certificate III enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)



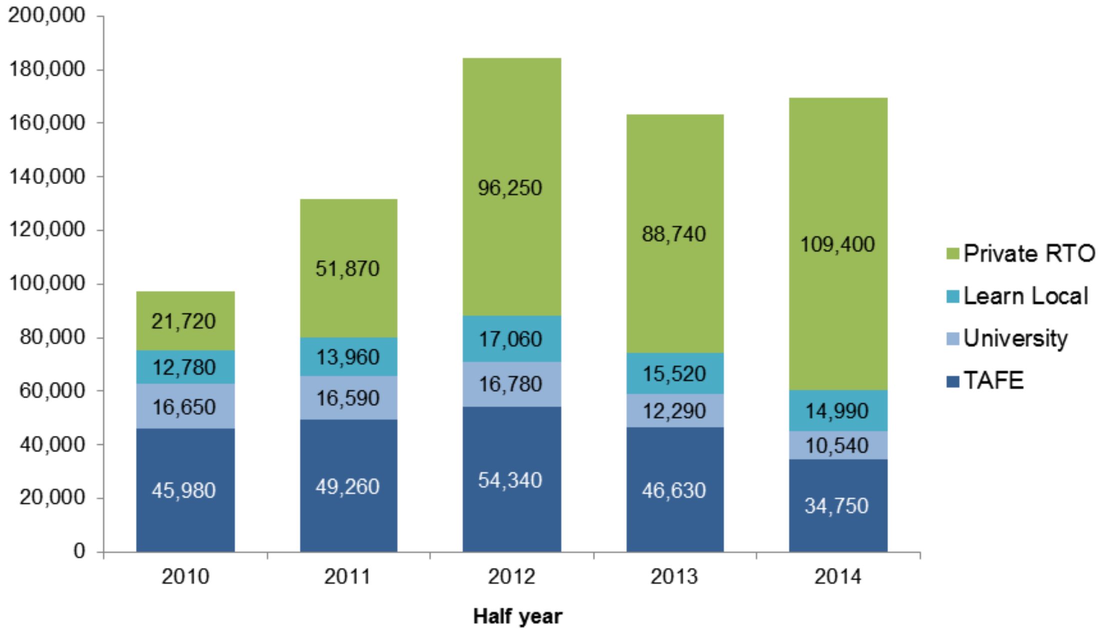
There was a 15 per cent increase in enrolments in specialised or in shortage occupations by this cohort.

Figure 49, Number of government subsidised enrolments that were in shortage or specialised occupations by students 20 to 64 years without at least Certificate III, 2013 to 2014 (half year)



64 per cent of these learners chose to enrol in private RTOs.

Figure 50, Number of students aged 20 to 64 years without at least Certificate III enrolled in government subsidised training by sector, 2010 to 2014 (half year)



Pre-accredited training

Pre-accredited programs provide opportunities for people to re-engage with learning and skills development. These programs build a person's capacity to undertake vocational training and enable them to develop community connections and life skills. For some learners, this provides the first step towards vocational training.

Table 14. Number of government subsidised pre-accredited training, Learn Local[15] (ACE) providers, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	11,700	9,800	11,200	11,900	12,000
Enrolments	16,400	12,900	14,300	15,600	15,300

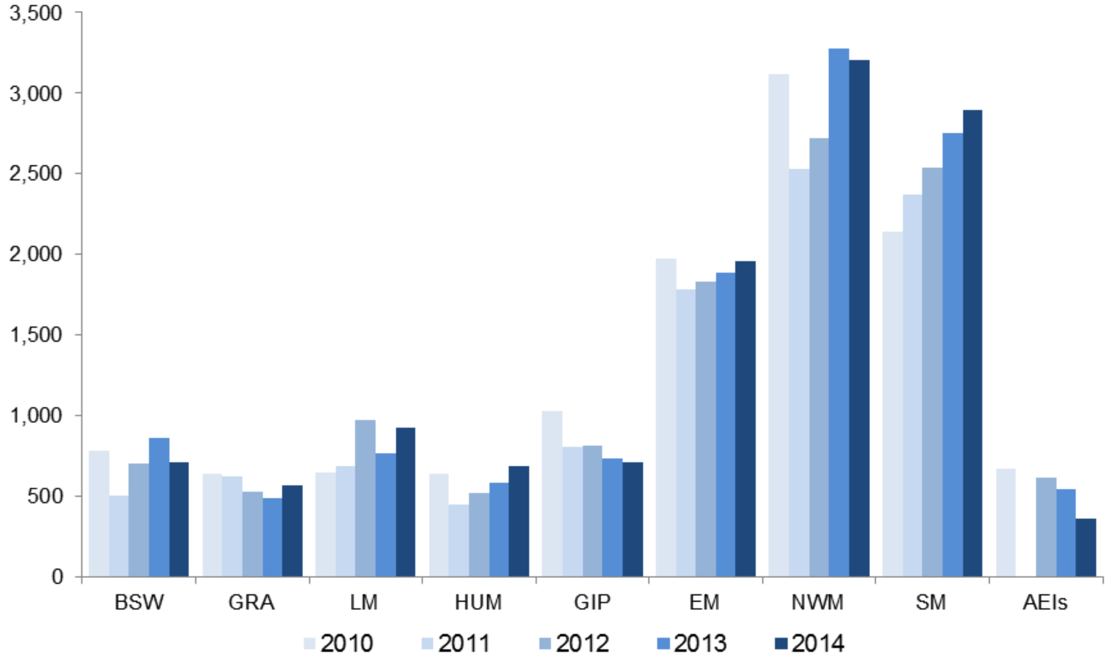
Figures include all state funding sources.

Table 15. Change in number of students enrolled in government subsidised pre-accredited training and number of government subsidised pre-accredited enrolments, Learn Local (ACE) providers, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	3%	23%	7%	1%
Enrolments	-7%	18%	7%	-2%

[15] For the purposes of this report the term Learn Local is used interchangeably with Adult and Community Education (ACE). However it should be noted that only Learn Local organisations report through to the ACFE Board, ACE organisations are self-identified and are not required to report through to the Board. In 2013 there were a very small number of Learn Local organisations that self-identified to SVTS as Private RTOs and therefore are not included in the count of Learn Local organisations for the purpose of this report.

Figure 51: Number of students enrolled in government subsidised pre-accredited training with Learn Local (ACE) providers by regional area, 2010 to 2014 (half year)



BSW	Barwon South West	HUM	Hume	NWM	North Western Metropolitan
GRA	Grampians	GIP	Gippsland	SM	Southern Metropolitan
LMR	Loddon Mallee	EM	Eastern Metropolitan	AEIs	Adult Education Institutes

Note: No data was reported from the Adult Education Institutes for the first half of 2011.

Table 16. Number of ACFE Board Priority Learners enrolled in government subsidised pre-accredited training with Learn Local (ACE) providers, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
CALD (LOTE)	2,600	2,600	3,400	3,700	3,300
Disability	2,600	2,500	3,000	3,200	3,500
Disengaged youth	650	150	300	400	500
Early school leavers	2,900	2,300	2,300	2,600	2,500
Indigenous	150	150	200	200	200
Males 45 to 64	1,200	1,100	1,200	1,300	1,200
Unemployed	2,800	2,200	2,600	3,200	3,300
Vulnerable workers	2,900	2,400	2,800	2,800	2,800

Figures include all state funding sources.

Note: ACFE Board Priority Learner categories are not mutually exclusive. Detail on these categories is available at:
www.education.vic.gov.au/Documents/about/research/acfepublications/hardtoreachlearn.pdf

Table 17. Change in number of ACFE Board Priority Learners enrolled in government subsidised pre-accredited training with Learn Local (ACE) providers, 2010 to 2014 (half year)

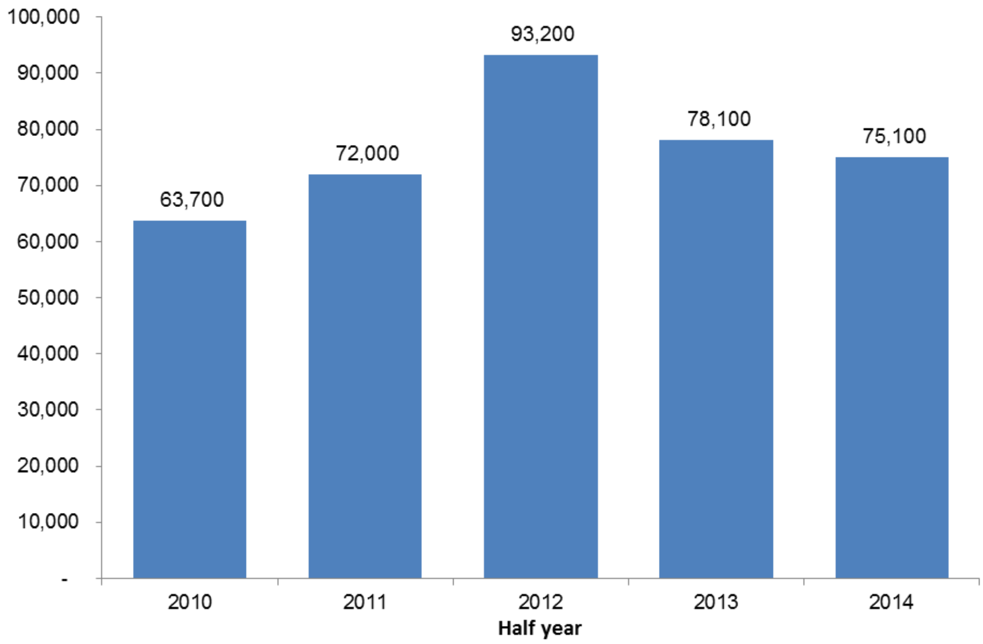
	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
CALD (LOTE)	27%	28%	-2%	-9%
Disability	32%	40%	17%	10%
Disengaged youth	-22%	223%	60%	26%
Early school leavers	-12%	13%	11%	-2%
Indigenous	121%	117%	96%	81%
Males 45 to 64	2%	12%	-1%	-3%
Unemployed	16%	50%	23%	3%
Vulnerable workers	-3%	18%	2%	-1%

Note: ACFE Board Priority Learner categories are not mutually exclusive. Detail on these categories is available at: www.education.vic.gov.au/Documents/about/research/acfepublications/hardtoreachlearn.pdf

Better training in regional Victoria

There were 75,100 students accessing government subsidised training delivered in regional Victoria in the first half of 2014. This was a decrease of 4 per cent on 2013, but higher than 2010 by 18 per cent.

Figure 52. Number of students enrolled in government subsidised training delivered in regional Victoria, 2010 to 2014 (half year)



There were 89,800 government subsidised enrolments delivered in regional Victoria in the first half of 2014. This is an increase of 17 per cent since 2010, but down by 12 per cent when compared to 2013. Enrolments in vocational courses (excluding Foundation courses) increased by 3 per cent on 2013 and 11 per on 2010.

Table 18.1, Number of government subsidised enrolments delivered in regional Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Foundation	5,200	7,700	20,100	24,700	10,600
Other courses	71,300	78,100	99,700	76,900	79,200
Total	**76,500**	**85,700**	**119,800**	**101,500**	**89,800**

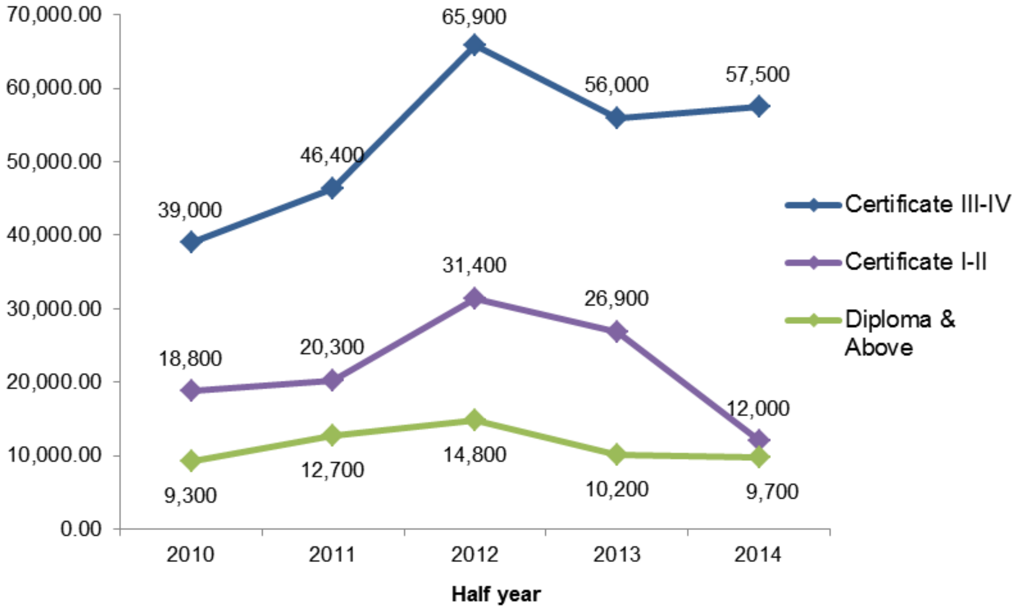
Table 18.2, Change in number of government subsidised enrolments delivered in regional Victoria, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Foundation	105%	38%	-47%	-57%
Other courses	11%	1%	-21%	3%
Total	**17%**	**5%**	**-25%**	**-12%**

Qualifications

Government subsidised enrolments in trades and high skill occupations (i.e. Certificate III-IV courses) represent 64 per cent of all regional training in 2014. The number of enrolments was 3 per cent higher than 2013 and 47 per cent higher than 2010.

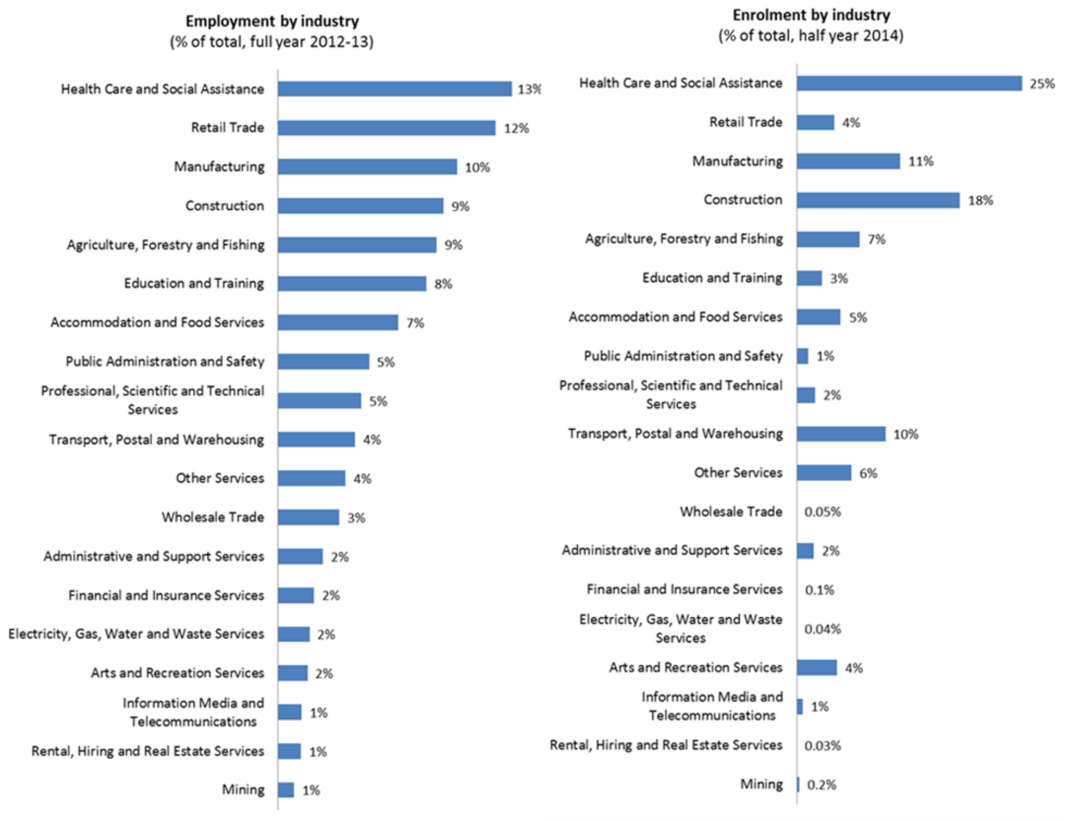
Figure 53, Government subsidised enrolments delivered in regional Victoria by qualification level, 2010 to 2014 (half year)



Alignment with jobs

Four of the top six highest employing industries in regional Victoria ranked in the top five areas of training delivery (construction, health care and social assistance, manufacturing and agriculture, forestry and fishing). There was a 6 per cent increase in the number of enrolments in specialised or in shortage occupations between 2013 and 2014. In 2014 51 per cent of industry specific enrolments were in specialised or in shortage occupations, up from 48 per cent in 2013.

Figure 54, Industry share of employment and vocational training, regional Victoria



Source: Centre of Policy Studies Labour Market Forecasts 2013; SVTS

Case study: Damien Power Diploma of Logistics

Transport business owner Damien Power says that completing a Diploma of Logistics has helped him “shift up a gear”.

“Until recently, there were lots of things that I did within my business that I just did, ad hoc,” Damien says.

Over 15 years, he and his wife Emma had grown their Bendigo business, Power’s Country Express, from a one-man operation to an enterprise employing 36 drivers.

But in 2011, they sought a more professional outlook, and engaged JKR Training to help staff complete a Certificate III in Transport and Logistics, covering subjects such as dangerous goods awareness, manual handling and chain-of-responsibility practices.

Damien, Emma and two other managers also completed the Diploma of Logistics.

“We’ve improved the quality of our work, increased staff and customer retention and improved our bottom line.”

Case Study: Construction training delivery in Barwon South West

Construction is the fourth largest employer in Barwon South West. Employment is forecast to grow two per cent over the next five years to 2017–18.[16] Owing to structural change, the nature of skills needed in the industry is also changing, requiring more higher level and managerial skills than before.

Since mid-year 2013, training delivery with Barwon South West's construction industry has increased by 42 per cent. This has been largely driven by enrolments in Certificate III in Civil Construction which leads to the specialised occupation of Civil Engineering Technicians, as well as by enrolments in Certificate IV in Civil Construction Supervision which relates to the skill shortage occupation of building associates. These courses are primarily delivered by Gordon TAFE.

Case study: Gippsland Industry-led Control Systems Engineering Pathway

Industry needs more graduates with practical engineering skills and they have a need for both higher-education pathways in engineering and applied project based learning.

A grant of $2.5 million from the Regional Partnerships Facilitation Fund was awarded to Federation University to develop and implement the Gippsland Industry-led Control Systems Engineering Pathway. The project is now in its first year with a new foundation program and three new higher education qualifications complementing three existing tertiary education programs in engineering. A feature of project is the industry engagement model, which supports individuals, and industry organisations to take a leadership role and provide:

- Opportunities for project based learning in the workplace
- Active input into pathway curriculum and
- Assistance with the establishment and operation of laboratories.

A total of 125 students have enrolled in seven higher education courses under this program in Gippsland to date.

Both Federation University and Federation Training provides the training and they have developed strong links with industry partners including Safetech and Lion.

[16] Monash Centre of Policy Studies, Labour Market Forecasts 2013

Next steps

The Department will continue to monitor the participation in training by all learner groups who face barriers. A range of initiatives are in place to support the different groups:

- A particular focus will remain on school aged young people disengaged from education and training. *Children and Youth Area Partnerships* have been established which bring together Victorian Government departments including the Departments of Education and Early Childhood Development, Health, Human Services, Justice and Victoria Police to work with local government and the community sector to improve outcomes for vulnerable children and young people. The provision of support for all children and young people to participate in learning and development will be a priority in all local areas.
- Schools have been provided with clear guidelines and support to establish programs that re-engage young people in education. The *School Focused Youth Service* has been recontracted through to December 2015 with a strong focus on facilitating the re-engagement of very early school leavers back into education.
- During 2015 the Department will be developing additional support material for both schools and Learn Local organisations to continue to support the provision of education to disengaged young people by small community based providers. This will include guidelines on best practice, information on support available for young people with complex needs and partnership approaches between schools and Learn Local organisations.

Case study: Great South Coast Health Articulation project

This project addresses health profession skill shortages and builds workforce capability within the Great South Coast region by developing an innovative delivery model for the Bachelor in Health Sciences.

A grant of $773,903 from the Regional Partnerships Facilitation Fund was awarded to South West TAFE leading to a total project value of $1.5 million. This supports the delivery of a rural and regional health and community services training model driven by local industry, consumer and workforce needs. This project is delivering integrated VET and higher education programs with guaranteed entry and credit arrangements to Deakin University's Bachelor of Health Sciences.

Using flexible delivery models and targeting young people and the existing health workforce, a total of 76 enrolments have been achieved to date. This is being achieved through structured workplace learning, simulated learning environments, video conferencing, online classrooms and trained tutorial staff.

Chapter 3: Helping students and employers to make informed choices

Increased choice in the open training market means that it is more important than ever for consumers to make informed decisions. Well-informed decisions reduce both susceptibility to self-interested provider behaviour and the chances that consumers will waste their training entitlement on training that is unsuitable for them. Better decision-making will improve vocational outcomes for both individuals and employers.

Well-informed decision-making also results in clear signals to the market to offer higher quality products and align training offerings with the needs of the labour market.

70 per cent of government subsidised training is initiated by students. This maybe to satisfy a requirement of their current job, in other cases, a student may chooses to undertake training to improve job prospects or gain a promotion. However, the decision-making process for students can be complex. It involves weighing up information about training providers, courses and job prospects. It may also involve considerable uncertainty because prospective students may not have a full understanding of their suitability to a particular occupation, or knowledge of their career options available after they complete their training.

Supporting informed decisions also requires ensuring incentives from other government services (e.g. welfare, employment services and VET fee HELP) are not unintentionally distorting the choices of individuals, employers and ultimately the demand for training.

Actions taken in the last six months

Recent actions include:

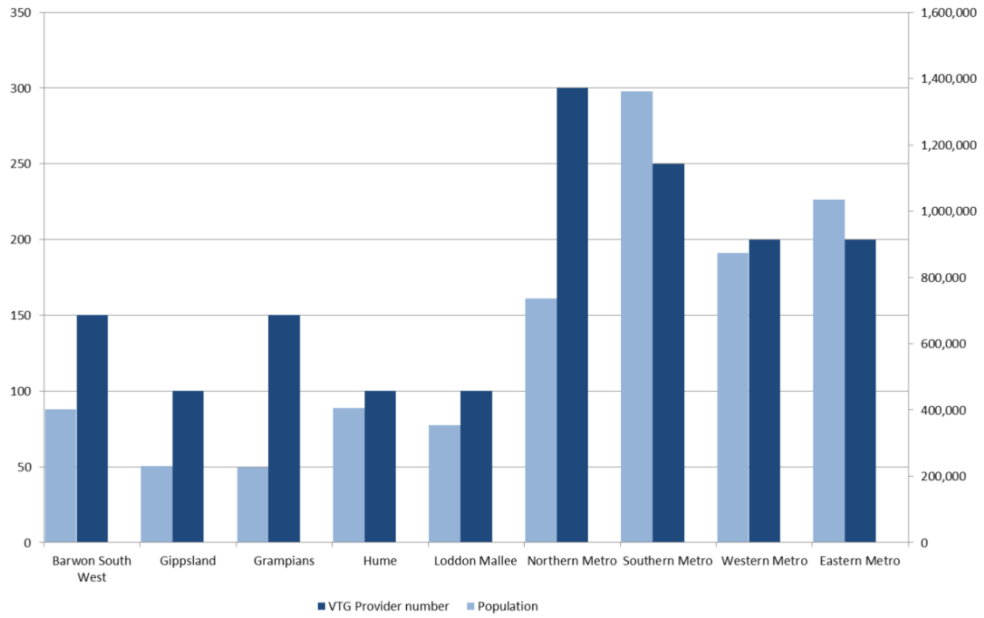
- Launching the Engaging Parents in Career Conversations (EPiCC) Framework, an online resource that careers practitioners can use to engage parents in the career development of their children in schools, Learn Locals and VET providers.
- Maintenance of funding for Workplace Learning Coordinators, following the cessation of Commonwealth funding, to support work placements for school students.
- The Department has distributed over 90,000 surveys to 2013 VET graduates and employers to allow analysis of student outcomes at the individual training provider level.

A real choice of provider

Victoria's training providers are as diverse as the students and businesses they support. They are also widely distributed across Victoria to provide training where it is needed.

There were 499 training providers with a 2014 Contract to deliver Victorian Training Guarantee subsidised training at the end of June 2014. These providers are distributed across the state broadly aligned to population size and in many instances providing training in several parts of the state. Provider availability in regional Victoria is above that expected based on population and reflects the higher rates of participation in vocational training in regional Victoria compared to metropolitan Melbourne.

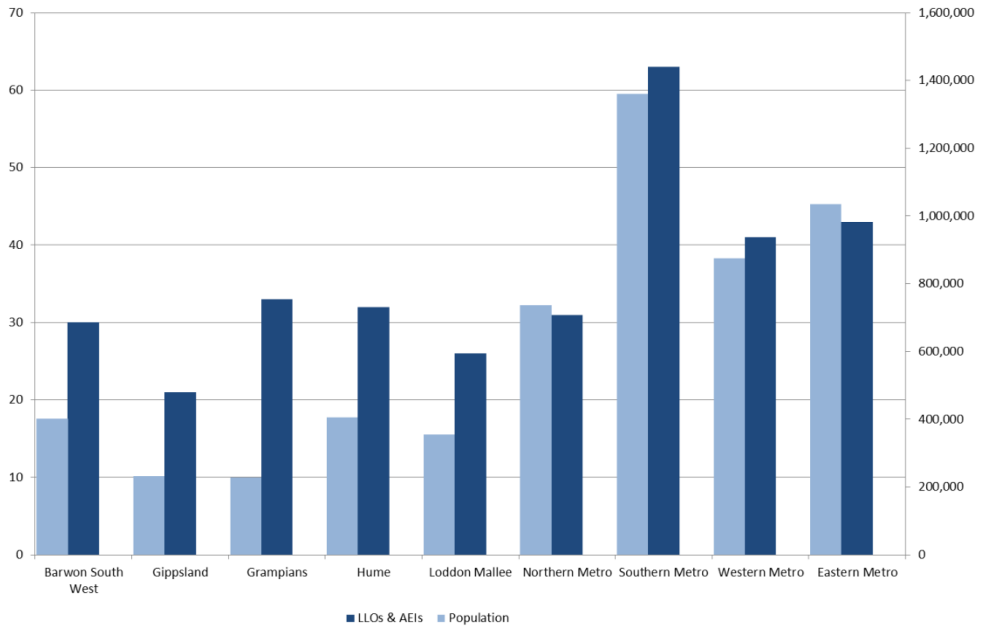
Figure 55: Alignment of VTG provider numbers and resident population



Source: Population: ABS estimated resident population by region, 2012; VTG provider numbers: SVBI (includes those RTOs that have reported at least 1 hour of VTG training delivery against a 2014 VET Funding Contract by June 30 2014).Note: some RTOs deliver training in more than region and so total providers delivering in all regions may exceed 499.

There were 297 Learn Local providers and Adult Education Institutes across Victoria at the end of June 2014 contracted to provide government subsidised pre-accredited training. Like providers of Victorian Training Guarantee subsidised training, they are also widely distributed across the state with relatively higher representation in regional Victoria relative to population. As at 30 June 2014, 118 Learn Locals also delivered VTG subsidised training.

Figure 56: Alignment of pre-accredited training provider numbers and resident population



Source: Population: ABS estimated resident population by region, 2012; Learn local providers: SVBI (pre-accredited data, including new-in-2014 providers that are yet to report delivery).Note: some Learn Locals deliver pre accredited training in more than region and so total providers delivering in all regions may exceed 297.

Students' choice of training provider is influenced by the courses offered, their preferences for a particular mode of delivery, their interest in additional services, and an understanding of costs and quality.

Since the opening up of the training market, students have increasingly chosen to enrol in private RTOs, and private RTOs now deliver 57 per cent of subsidised vocational training.

Since 2011 the Learn Local share of the training market has remained constant at 10 per cent of the vocational training market.

Universities have rationalised their course offerings, to align their delivery with their higher education offerings. As a result their market share of enrolments has declined.

And with a reduction in foundation training, TAFE's share of total enrolments has declined in the first half of 2014.

Table 19, Market share of government subsidised enrolments by TAFE institutes, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	13%	10%	10%	10%	10%
University	19%	15%	12%	10%	7%
Private RTO	21%	35%	44%	45%	57%
TAFE	48%	40%	34%	35%	27%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Case study: Christopher Avery

Advanced Diploma of Applied Fashion Design and Technology

Christopher Avery has found his niche: creating beautiful, original menswear.

Just a year after graduating with an Advanced Diploma of Applied Fashion Design and Technology, he runs a bespoke men's tailoring business from his home studio while working as a stylist.

When he first enrolled at the Melbourne School of Fashion, all he wanted to do was to learn to make his own clothes.

"Pattern and garment construction became, I thought, my strongest fields," he says.

"But in third year the creativity came, I think because I didn't put pressure on myself to design womenswear – I was designing the kind of things I wanted to wear."

Christopher says technical skills "can't be underestimated".

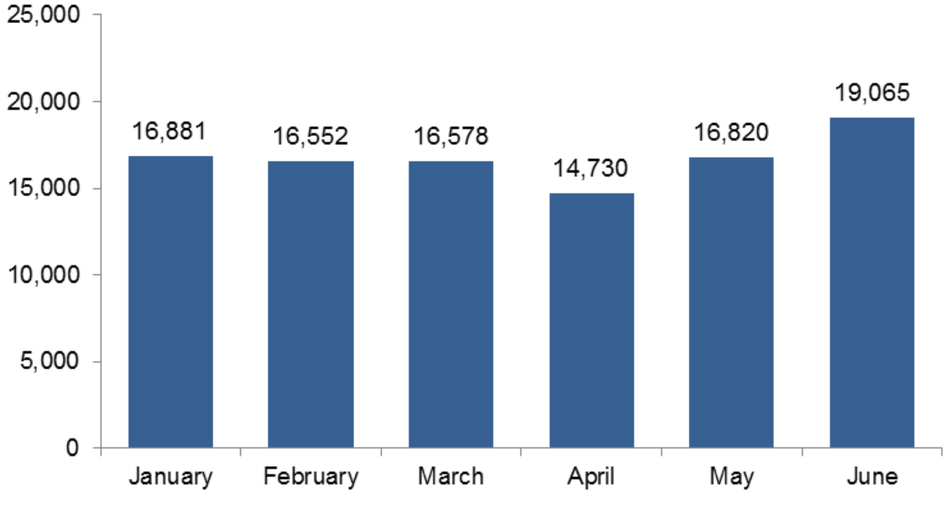
"Zara and Topshop take whatever they like on the runway and within six weeks they can have it on the floor in the shop. I don't want that. I've got the skills now to do pieces that are going to last for years."

More support for individuals and employers

Victorian Skills Gateway

To help consumers to make well-informed choices, the Victorian Skills Gateway has been upgraded in the last six months to make searching for information about jobs, job prospects, and related courses easier. Since its launch in December 2012, over 305,000 people have visited the Victorian Skills Gateway. The figure below shows the numbers of unique visitors to the Victorian Skills Gateway over the first half of 2014.

Figure 57, Number of unique visitors to the Victorian Skills Gateway, Jan-Jun 2014

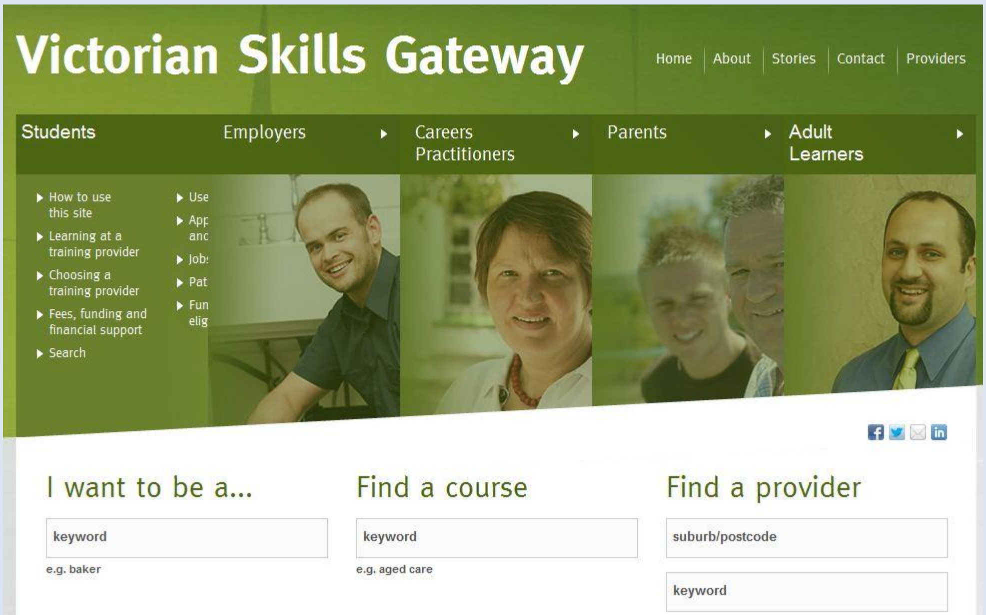


Victorian Skills Gateway

In December 2012, the Minister for Higher Education and Skills launched the Victorian Skills Gateway, a new website with a searchable list of RTOs and their public training offerings in Victoria. The Gateway also includes: information about occupations (including video and text case studies), Victorian job prospect information, and which vocational training courses are relevant to each job. Prospective students can search or browse for an occupation, view a video featuring someone in the workplace describing their day-to-day activities, find a relevant course, and locate the exact campus where the course is offered.

Research conducted prior to building the Gateway identified the main audience groups and the information that consumers wanted in order to make a decision about vocational training.

As a result, information tailored to five [different] audience groups (students, adult learners, parents, careers practitioners, and employers) was also included in the website.



Engaging Parents in Career Conversations Framework

The EPiCC Framework is an online resource that careers practitioners can use to engage parents in the career development of their children in schools, Learn Locals and VET providers.

The Face-to-Face report produced in 2010 by the National Youth Agency in England identified parents and carers as the most common first point of call for career development information, advice, and guidance for young people. Other research also points to the important role of parents in the career development of their children, especially in the early stages rather than in the later stages of their education.[17]

[17] Watson and McMahon, 2003

EPiCC aims to build the capability of:

- Career practitioners, to deliver improved career development services to young people and to better engage parents in the career development of young people.
- Parents, to engage in career conversations that go beyond the typical approach of “what do you want to do when you finish school?”
- Young people, to make more informed decisions about their career pathways and options.

The Regional Career Development Officers are rolling out professional learning in EPiCC to careers practitioners and teachers across the state. Schools are using the EPiCC resources and strategies to engage parents in the career development of their children through a range of mechanisms such as specific careers evenings, parent teacher evenings, subject selection sessions, and through newsletters. For example, at Brunswick Secondary College, the resources have been translated into Mandarin, Persian and Somali and delivered to the respective parent groups at careers nights. Some schools have customised the resources to engage parents of students with disabilities in career conversations about their children’s future options.

Information for transitioning workers

Recent research undertaken on behalf of the Department highlights that employees who left their last job involuntarily have the best chance of a successful transition to their next job if they are English speakers; aged 20 to 24; are vocationally qualified; and were previously employed in social services or business services.

At the other end of the scale, employees in a similar situation, have less of a chance of successful transition to new employment if they are younger than 20; aged 55 or over; did not reach Year 11; or their last job was in manufacturing or personal services.

ABS data showed that 34.5 per cent of workers were back in employment at the end of the 12 month period to February 2013, nearly half (45.4 %) remained unemployed, and 20 per cent had left the labour force. This compares with the 53.4 per cent of workers who were employed at February 2012 having voluntarily left their previous job, and the 21.9 per cent who remained unemployed[18].

The Department’s regional market facilitation managers and business managers from the Department of State Development Business and Innovation work directly with employers, industry associations and regional economic development agencies to:

- Inform decisions by employers about the skills necessary to diversify their business; and
- Support workers affected by structural change to make training choices, where this will assist them to successfully transition to a new job.

[18] Deloitte Access Economics, Structural change and labour market trends in Victoria, Department of Education and Early Childhood Development, April 2014, p.34

Next Steps

Over the next year, the Department will continue to support improved decision-making for individuals and employers,

Victorian Skills Gateway

A number of enhancements will be made to the Victorian Skills Gateway in 2014/15:

- The website will be expanded to include pre-accredited and higher education information, so that users do not need to understand the structure of education administration in order to find relevant information.
- A course comparator tool is also planned which will allow users to compare characteristics of different course offerings (including quality indicators).
- An online business development tool will be provided through the Skills Gateway and launched in August (by the department along with Small Business Victoria). The online tool will help employers to get the training they need for their business. The marketplace will enable employers to easily find a shortlist of suitable RTOs, and to negotiate customised training to meet their requirements. It will also help employers provide stronger signals directly to RTOs to influence the provision of training. Any employer will be able to post an anonymous training request in the online marketplace and RTOs will respond online in a standard, easily comparable format. The employer can then review the responses and decide which RTOs to negotiate with.
- Awareness of employment and economic context, local training and employment opportunities, and pathways to vocational and higher education training is critical to informed decision-making.

  To support access to this information, an online regional information hub prototype will be implemented in December 2014. The aim of the hub will be to improve informed decision-making, lift aspiration among prospective students, and increase alignment between training outcomes and labour market requirements. The hub will draw together local, state and Commonwealth information from disparate existing resources, and provide new regional content.

Industry, Skills and Training Market Information

The Department will release training market information on the education.vic.gov.au website throughout the year as both raw data and via interactive dashboards. The first phase of data sets will be available from late September 2014. These data sets and interactive visualisations will enable training market stakeholders to have access to a common evidence base so that they can anticipate and respond to training trends, market failures and opportunities that will align with the future workforce and skill requirements of Victorian businesses.

Workforce Development Centres

To assist workers who need to move into a new job, Workforce Development Centres are being established in three areas: Geelong, Dandenong and Broadmeadows. The Geelong Centre has been opened and the other two are scheduled for opening in September 2014. The Centres provide free services to affected workers and their families including:

- Careers counselling
- Information on jobs and training courses
- Information on the local economy and employment market
- Referrals to other support services, such as financial and personal counselling.

Industry Skills Profiles

Industry skills profiles are being developed for occupations that are in decline, in order to inform decisions about growth occupations with related skills sets, and appropriate top up training.

Registered Training Organisation Performance Indicators

In July, the Department sent over 90,000 students and employers surveys to gauge their satisfaction with RTOs and their employment outcomes. This is a new data collection and the first time that data has been collected at the individual RTO level. The indicators include satisfaction measures of the assessment process, the learning experience, the training and the RTO overall. Achievement measures cover learner engagement, improved foundation skills and the acquisition of skills relevant to the labour market. Finally, there are outcome indicators for completing students focusing on improved employment status, income and going on to further study.

In 2015, results against eleven RTO performance indicators will be progressively released through the Victorian Skills Gateway to help inform student and employer choices at the RTO level. To further assist students and employers to choose between RTOs the comparator tool mentioned above will be developed. This will be accessible through the Victorian Skills Gateway in 2015. The tool will allow the user to make direct comparisons across a range of RTOs and measures.

Work with schools careers advisors

Careers advisors in schools are one of the two major influencers on decision-making among high school students. The Department will work with school networks and advisors to embed the use of the Victorian Skills Gateway including job prospect information and identifying areas of future jobs growth.

Working with the Commonwealth Government

The Victorian Government is working with the Commonwealth Government to better understand the impacts of the Commonwealth's welfare, higher education and employment services reforms on student choices. This work is focused on the opportunities to ensure the systems are working together to support an individual to not only gain skills for an immediate employment outcome, but also to improve their long-term career prospects and employability. This builds on the work Victoria has done to raise participation in training in occupations that are specialised, in shortage or projected to grow in the next five years.

Chapter 4: Better quality training and less red tape

As well as equipping students and employers to make informed training choices, the Department has strengthened oversight of quality in the training market.

Since 2012, the Department has progressively raised standards for training providers to gain and maintain a government contract. We have spelt out our expectations that students are supported to:

- Understand the value and limitations of their training entitlement
- Have access to accurate and comparable information on training products and how their choices affect their future
- Be able to access accurate and comparable information on delivery modes
- Make sure that training programs meet each individual's needs, links to likely job outcomes and minimises duplication of prior training
- Receive high quality teaching, feedback and assessment
- Have an opportunity to provide feedback on their experience, both during training and after [a] [the] program has been finished.

With the establishment of the Market Monitoring Unit, and continued improvement of data systems, we have increased our ability to detect quality and compliance risks. This has resulted in higher standards and a reduction in the number of providers offered a government-funded contract. As at 30 June 2014, there were 499 training providers with a 2014 VET Funding Contract to deliver Victorian Training Guarantee subsidised training.

We have also "cut red tape" by reducing the administrative burden. For example, this year the department has introduced:

- 3 year contracts for high performing training providers, rather than an annual contracting process
- A streamlined process for training providers submitting their training data for payment
- A single financial assessment for Learn Local providers to gain a contract for VTG training and pre-accredited training (through the ACFE Board).

Actions taken in the last six months

Some recent actions include:

- Higher entry-to-market standards for training providers, including stronger criteria and better targeted foundation level training.
- Increased oversight of training delivery by requiring providers to seek approval to subcontract training delivery to third parties.
- The introduction of a *Statement of Expectations* to drive improved provider performance and behaviour.
- The establishment of a rapid response team, as part of the Department's Market Monitoring Unit, which has conducted investigations into market responses and provider behaviour.
- Reviews into RTO training assessments in priority industries (such as childcare) and in relation to training providers that experienced significant growth in training delivery.

For an overview of our expectations and approach to contract management, please refer to the Appendix.

Tougher entry to market for providers

Since 2012, the Department has progressively strengthened the entry-to-market criteria for RTOs who wish to gain a VET Funding Contract. These more rigorous entry requirements have seen the number of RTOs offered a VET Funding Contracts decrease from 556 in 2012 to 499 RTOs that had a VET Funding Contract to deliver VTG subsidised training as at 30 June 2014. This focus recognises that, in opening the market for training provision, the Department has had to address new and emerging provider behaviours, for which the regulatory standards have not always kept pace.

In 2014, the Department introduced a comprehensive pre-contract assessment for existing providers. This has included: consideration of a provider's contract performance history, findings from audits, and other due-diligence conducted by the Department. As a result, 109 applicants (or 19 per cent) were not awarded a VET Funding Contract for 2014.

In response to concerns about the quality of certain aspects of training delivery, the Government has also introduced an approved provider list for providers wishing to deliver foundation skills courses under government subsidy (in addition to the existing approved provider list in place for funded recognition of prior learning).

Providers were required to demonstrate how they test an individual student's need for foundation skills and plan training to meet this need. Independent experts then formally evaluated the providers, against a moderated benchmark of performance. The foundation skills approved provider list was introduced for students commencing from 1 April 2014 and 123 applicants (or 78 per cent) were subsequently approved.

A second round application process for the Foundation Skills Approved Provider List was held from May-July 2014, this resulted in an additional 20 RTOs approved to deliver Foundation Skills. The combined success rate of these processes was 86 per cent.

For 2014, RTOs have been required to seek the Department's approval to subcontract the delivery of training and assessment to organisations that do not already have a VET Funding Contract. This was introduced to safeguard the integrity of the entry-to-market processes, and in recognition of the risks associated with third party delivery.

This ensures that providers engaging third parties have appropriate controls in place and that the Department can monitor risks. In the period to 30 June 2014, the Department approved 148 requests (or 93 per cent) to subcontract delivery of training and assessment.

Higher expectations for contracted providers

The Victorian Government is committed to ensuring high-quality training that directly supports job growth and the State's prosperity into the future. In 2013, the Department developed a *Statement of Expectations* for providers in collaboration with the Australian Council for Private Education and Training, providers and regulators.

The statement outlines the behaviours the Department expects from providers in receipt of public funds, particularly when dealing with students and delivering training. Providers are contractually required to act in accordance with these expectations. During 2014, the Department has actively used the *Statement of Expectations* to drive improved performance from providers regarding their conduct and the responsible use of government funds.

Consistent with the focus on students in the *Statement of Expectations*, the Department has worked to ensure that providers act in the best interests of students. To achieve this, the 2014 contract also strengthened expectations of providers regarding the pre-training review. In this formal consultation between a student and training provider, the providers must ensure that the training program is right for the student, that it will be delivered in an appropriate way, and that it will not duplicate the student's existing skills.

Providers must establish a sound business process support the pre-training review, and providers must keep a record for each enrolment. During 2014, the Department has used these requirements to drive more suitable student enrolments and to address concerns regarding enrolment practices led by providers, rather than student choices.

This student-centred approach recognises that the student lifecycle from understanding their entitlement, and course and provider selection through to completion of training, are key components of the training experience and resulting outcomes.

Recognition of high quality providers, with less red tape

As well as setting higher expectations for providers, the Department has continued to support voluntary compliance and reduce red tape for high quality providers.

The Department held seven information sessions for providers about the 2014 VET Funding Contract, answered 3,557 provider enquiries and met with more than 30 providers.

In 2014, the Department introduced three-year contracts for providers with a strong record of contract performance and financial health. Three-year contracts provide greater certainty for providers and reduce the costs to both providers and the Government associated with the annual contracting processes. As a result 335 providers (66 per cent of providers in the system) were offered a three year VET Funding Contract in 2014. This builds on the Department's long-term commitment to streamlined and efficient data collection that minimises unnecessary data collection and secondary reporting.

Other actions to reduce red tape on providers have included:

- Streamlining contracting processes by the Department and ACFE Board to utilise a single financial assessment for providers that deliver both VTG and pre-accredited training.
- Reducing rework for providers to enable payment. The department has simplified its data and claims processes through improvements to the data standard, enhanced validation rules and improvements to the efficiency the claims processor.

Stronger action for providers who don't meet standards

The Department monitors data reported by providers, and has improved its ability to identify outlier patterns in claims for payment. This has enabled the Department to better manage risk to public funds, investigate issues and respond appropriately.

Where the Department is concerned that a provider has breached the VET Funding Contract, payments (for training already delivered) and commencements (students starting training) can both be put on hold for a particular provider. As at 30 June 2014, the Department was holding $24.5 million in payments and had suspended one provider from commencing new enrolments. In 2014, the Department released the *VTG Contract Compliance Complaints Management Guide* to provide students and other stakeholders with guidance and support on how to raise concerns. Where appropriate, the Department has used information from complaints as a trigger to investigate provider behaviour and identify whether there is a systemic issue. As at 30 June 2014, there were 15 complaints under review. During 2014, the Department continued its contract compliance audit program and conducted 71 audits of training delivered during 2013 and 2014. This audit program, which includes both "core" and "off-cycle" audits, is designed to cover a significant proportion of training delivery. The 2014 audits have covered training delivery that accounts for over 80 per cent of funding, and focus on areas of high risk. During 2014, the audit program has identified $5.1 million in training funds to be reimbursed by providers.

The Department also maintains its integrated approach to managing complex and sensitive RTO matters. As of 30 June 2014, 20 providers were under active or intensive case management to address inappropriate behaviours. These investigations can result in formal contract disputes, contract termination and legal proceedings. During the same period, one provider had its contract terminated as a result of poor contract performance.

Next Steps

Future activities include:

- Expansion of the audit program to provide greater coverage of pre-training review and assessment practices
- Requiring providers to disclose in advance changes in the volume and mode of delivery
- Developing a stronger analytical capability to identify and manage payment risks in real time
- Introducing appropriate standards to enable electronic forms of eligibility to be used by providers
- Incorporating the RTO Performance Indicators into entry to market, risk metrics and contract management under the VET funding contract.

Case Study: Rapid response team investigations into course duration and dual enrolments

The Market Monitoring Unit's rapid response team initiated investigations into 25 providers, 62% of which were enrolling a large number of students in two government subsidised courses. The other 38% were reporting shorter training delivery compared to 2013, particularly for foundation courses.

The investigators usually spent one day on site with each RTO, interviewing senior staff members, teachers and students, and reviewing course materials and student files.

Investigations identified concerning practices such as inadequate pre-course assessment and a lack of evidence that training hours claimed were delivered. Potential contractual breaches are currently being investigated, including through provider meetings and suspension of payments and commencements in certain circumstances. The state and national regulators are also being alerted to instances of inadequate training quality at these providers.

Chapter 5: Building modern, competitive TAFEs

For all providers, attracting students and employers depends on being agile and responsive to changing student preferences, being innovative in product and delivery modes, anticipating the needs of industry and building awareness and trust in their brand.

TAFE institutes have historically delivered a wide range of courses. But these courses have not necessarily met the needs of their communities and industries, and the increasing number of students enrolling with non-TAFE providers is evidence of this.

In a competitive, demand driven vocational training system TAFE institutes need to be able to compete effectively. So there is a need for TAFE institutes to identify their competitive advantages, and to be able to position themselves in those parts of the market in which students will choose to enroll with that institute.

They also need the freedom to operate commercially and competitively, and to that end we have provided greater commercial and operational autonomy and removed a number of legacy constraints.

This has included:

- Freedom to negotiate individual enterprise bargaining agreements (EBAs)
- Removal of constraints around asset ownership and management
- The ability to set fees, and determine course offerings and methods of delivery.

In concert with this, the governance of TAFE institutes is changing to a more commercial model with smaller, skills-based, boards charged with governance and strategic oversight of the TAFE institute, as opposed to large representative boards that previously acted predominantly in an advisory capacity. This shift recognises that TAFE institutes are large businesses in their own right operating in a highly competitive and complex environment, and should be governed and managed as such.

We have provided clear commercial objectives, benchmarked performance data and structural adjustment funding to support TAFE institutes to transform their businesses.

Actions taken in the last six months

- Approved requests to amalgamate from four TAFE institutes that identified scale as critical to quality training and innovation – in Gippsland and along the Bendigo/Calder corridor
- Supported institutes to further strengthen governance and management by making skills based Board appointments and Boards in turn making new executive appointments
- Transferred property titles in the name of Minister to TAFE institutes to give them greater control over their assets
- Allocated over $120 million of structural adjustment funding to TAFE institutes needing support to become financially sustainable.

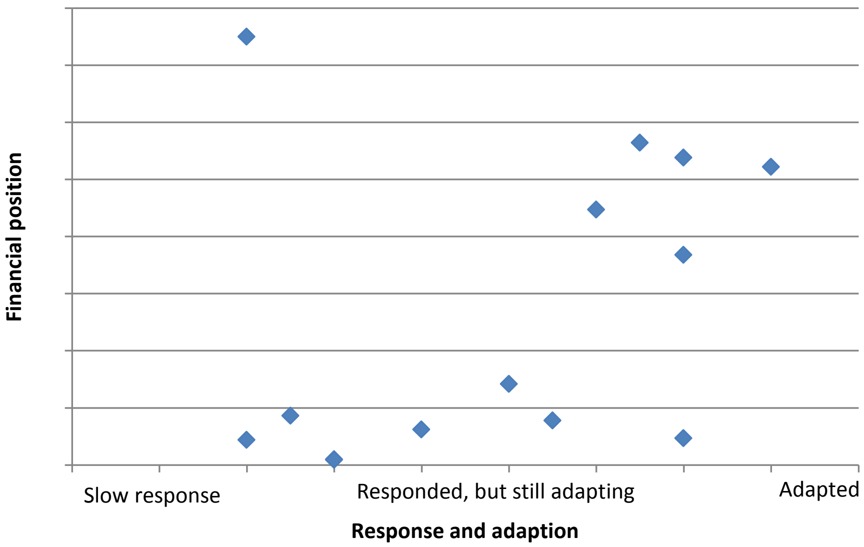
TAFE institutes are at different stages of transformation

Our TAFE institutes are at different stages of transformation as they adjust to the open vocational training market in their regions and sectors. While some TAFE institutes have adapted quickly, others are at an earlier point in their transformation.

Those that have responded (but are still changing) took short-term actions to reduce costs and to take advantage of the market settings, but have not yet fundamentally realigned the institute to meet the needs of their industries and communities.

Those that have adapted have assessed their market, identified their competitive advantages and undertaken a thorough review of their courses and delivery modes to ensure that they can meet the needs of industries and communities in the longer term.

Figure 58, Level of response and adaption by TAFE institutes to the opening up of the training market



Source: Department generated – 'financial position' is based on cash reserves (with some adjustments) and 'response and adaption' is subjective, based on VAGO findings from the 2013 audits

The speed at which TAFE institutes have responded to the opening up of the training market, and the depth and breadth of their actions have been key determinants of their success. Those that responded quickly, and implemented significant changes aligned to community and industry needs, have tended to adjust better.

Those TAFE institutes that changed more quickly to a commercial, skills-based Board have tended to adapt more to the opening up of the market because those Boards, that have the appropriate skills mix and experience in similar markets, are able to guide and support the institute's management team through the process. There has been correlation between the strength of an institute's Board and management team, and their financial performance.

Critical success factors include:

- Strong governance and management.
- The capacity to attract students and employers with relevant and quality training offers.
- High quality financial and other business systems.
- Sophisticated market analysis and business intelligence tools.
- More efficient cost structures and asset bases and a sustainable scale.

The opening up of the market has required a greater level of sophistication in measuring TAFE institute performance. New financial ratios and key performance indicators have been developed to judge how well TAFEs are improving their businesses.

Naturally, progress against some measures tends to be quicker than others. For example, reducing employment costs as a proportion of total revenue can be achieved relatively quickly. On the other hand, an improvement on return on assets can take longer, given that changes to asset bases have long lead times.

A selection of key measures, shown below, indicates that there is still significant variability between individual TAFE institutes. A number of institutes still have high cost bases relative to their revenue, and some are a long way from generating a positive return on their assets. This indicates that there is still a great deal of adaptation that needs to occur across the sector.

	Minimum	Median	Maximum
Training revenue per student contact hour	$5.95	$8.80	$14.76
Operating margin	-47.5%	-17.5%	6.3%
Employment costs as a proportion of revenue	62.5%	85.3%	121.9%
Annualised return on investment	-23.3%	-6.2%	2.8%

TAFE institutes are acting with a clear sense of priority and purpose as they adapt to the market. We are seeing:

- A more commercially focused approach from management teams
- More emphasis on business development, such as tracking the conversion of enquiries into enrolments
- Greater sophistication and rigour in determining course offerings and methods of delivery
- Better systems for generating data on profitability and performance.

There is also a clear recognition from the TAFE institutes that quality systems are critical to future success in the market. Improving quality across all aspects of the business, from the process for enrolments, to teachers' capabilities, to the standards upheld by the Board, can send a clear signal to the market and provide a point of differentiation for TAFE institutes in a crowded vocational training market.

To support the improvements in quality, TAFE institutes are also refining their performance measurement frameworks so that key indicators of quality are being monitored and remedial actions can be taken where they fall below agreed levels.

This greater focus on quality is linked to a growing commitment among TAFE institutes to improve the student experience. For example, TAFE institutes are investigating ways to make it easier for students to enrol, and ensuring that they have access to the supports they need once enrolled. In a market driven by student choices, a great student experience provides TAFE institutes with a valuable proposition.

Case Study: Chisholm Institute

As a large training provider based in south-east Melbourne, Chisholm Institute has an important role to play in meeting the training needs of a broad cross section of students and employers, including those in the automotive supply chain and manufacturing industries that are experiencing structural adjustment.

Chisholm Institute has made major changes that have refocused its business on key areas of strength and led to real productivity improvements. This is reflected in it recording the best financial results in the sector in 2013.

These changes mean it is very well placed to compete with other providers and offer training that is aligned with what industry wants.

Chisholm Institute's commitment to working with industry, understanding their needs and delivering relevant training is well known.

For example, it has worked with South East Water to identify a gap in the capability of workers providing infrastructure to water authorities. Chisholm Institute has created programs to close these gaps and build plumbing industry capability.

Source: **http://www.plumbingconnection.com.au/article/south-east-water-works-industry-combat-training-gap**

Major providers of apprenticeship training

Strategies that were initially implemented by some TAFE institutes to boost enrolments in 2012 and 2013, in response to the opening up of the market, did not necessarily align with student and industry demand and need. For example, some TAFE institutes increased their reliance on foundation skills training, while others ramped up their use of third party providers.

This meant that, when changes were made to eligibility for foundation skills training and entry to market arrangements in 2014, government subsidised enrolments fell. As illustrated below, a 28 per cent reduction in total government subsidised enrolments (from 2013 to 2014) was driven by the 68 per cent decline in TAFE enrolments for foundation training.

Figure 59, Number of government subsidised enrolments in TAFE institutes by whether course was foundation or other, 2010 to 2014 (half year)

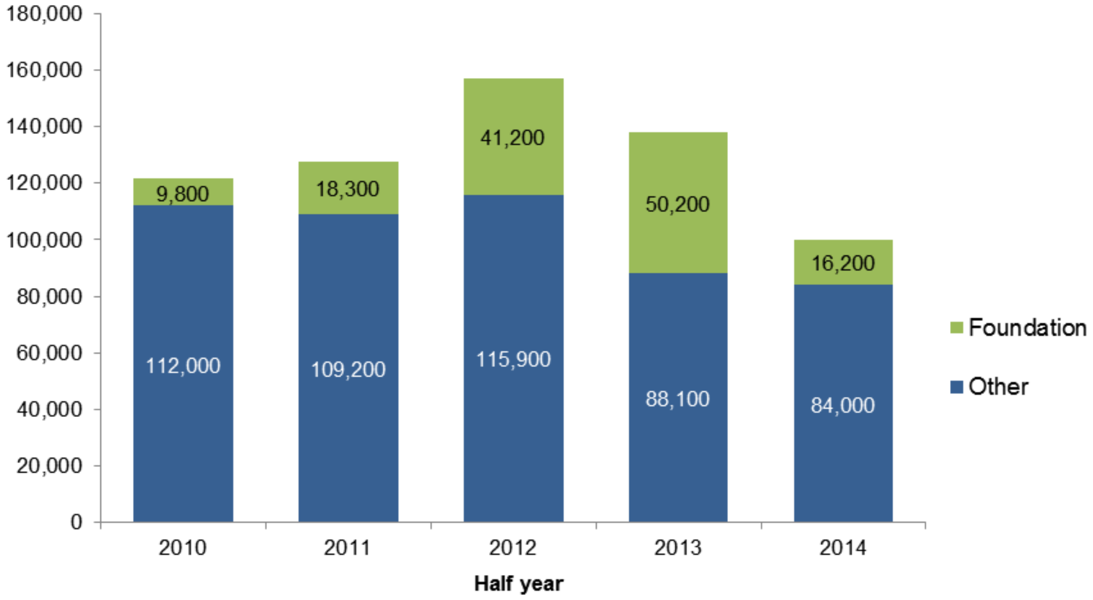


Table 20, Number of government subsidised enrolments in TAFE institutes by broad type of course, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Foundation	9,800	18,300	41,200	50,200	16,200
Other	112,000	109,200	115,900	88,100	84,000
Total	**121,800**	**127,600**	**157,100**	**138,300**	**100,200**

Table 21, Change in number of government subsidised enrolments in TAFE institutes by broad type of course, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Foundation	65%	-12%	-61%	-68%
Other	-25%	-23%	-28%	-5%
Total	**-18%**	**-21%**	**-36%**	**-28%**

TAFE institutes have now sought to reduce their reliance on foundation skills and rebalance their training effort to focus more on core areas of strength. This has slowed the decline in government subsidised non-foundation enrolments, which declined by 5 per cent between 2013 and 2014 (half year) compared to 28 per cent in the year before.

The overall fall in TAFE institute enrolments between 2013 and 2014 (half year) has been accompanied by further growth by private providers, and this has led to the TAFE market share falling to 27 per cent (half year).

Table 22, Market share of government subsidised enrolments by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	13%	10%	10%	10%	10%
University	19%	15%	12%	10%	7%
Private RTO	21%	35%	44%	45%	57%
TAFE	48%	40%	34%	35%	27%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

The next couple of years will be critical in determining the future position of TAFE institutes in the market and assessing whether the most appropriate competitive strategy results in their share of government subsidised training growing or stabilising. This will depend on the competitive positioning of individual TAFE institutes – the extent to which their course and delivery offerings are able to meet the needs of their communities and industries, and persuade students to choose to enrol with them rather than at a competing TAFE or private provider.

The decrease in student numbers in 2014 (half year) is proportionately lower than enrolments, partly because the practice by some TAFE institutes of bundling foundation skills modules with core qualifications has been reduced.

Figure 60. Number of students enrolled in government subsidised training in TAFE institutes, 2010 to 2014 (half year)

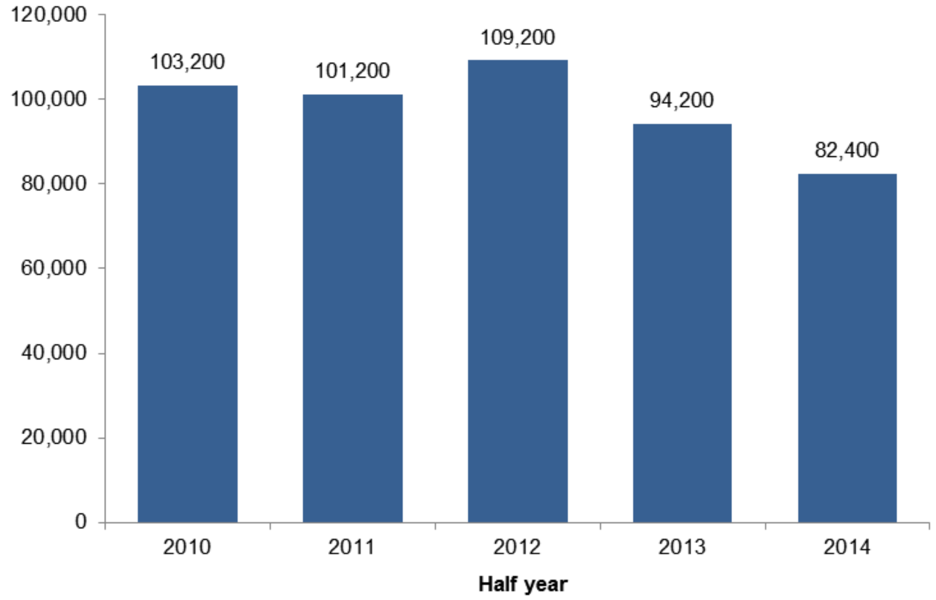


Table 23. Number of students enrolled in government subsidised training in TAFE institutes, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	103,200	101,200	109,200	94,200	82,400

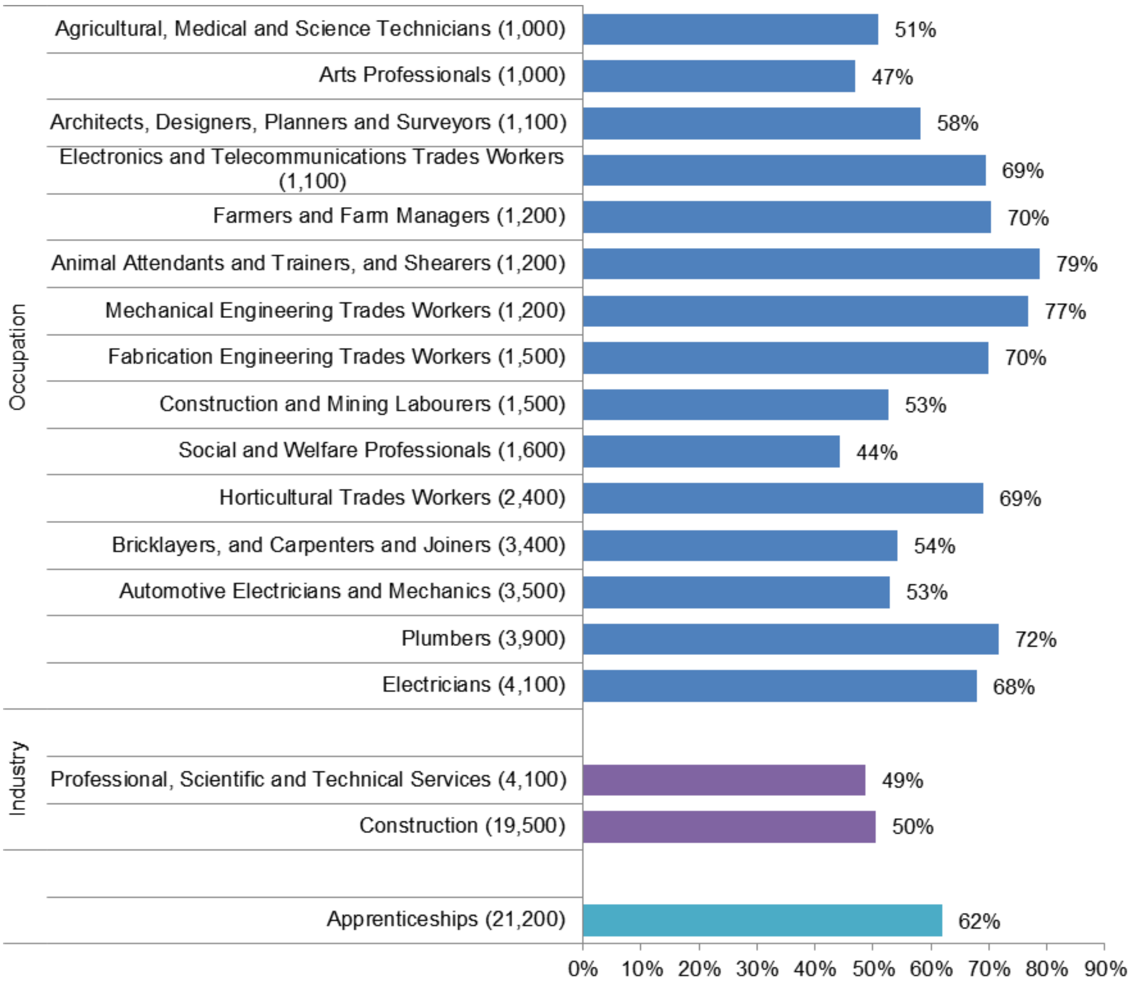
Table 24. Change in number of students enrolled in government subsidised training in TAFE institutes, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	-20%	-19%	-24%	-12%

While the number of students enrolled at TAFE institutes has declined, TAFE institutes have focused more on their traditional areas of strength – trades and apprenticeships. TAFE institutes are the major providers of government subsidised apprenticeship enrolments, with 62 per cent of enrolments delivered by TAFEs in the first six months in 2014.

These courses tend to receive the highest government subsidies, reflecting their high public value. As a result, TAFE institutes receive a greater share of government spending on training than indicated by their actual market share (as measured by the number of students or enrolments).

Figure 61, Industries and occupations where TAFE institutes provided the largest share of government subsidised enrolments in the first six months of 2014
where enrolments were larger than 1,000



Figures in brackets are the total number of government subsidised enrolments for each category

As the Victorian economy undergoes structural change there is likely to be less need for some types of traditional trades, for example in the automotive supply chain, and many of the traditional trades, in which TAFE institutes currently have a competitive advantage, are not necessarily going to be the largest employers in the future.

This means that TAFE institutes need to ensure, as the Victorian economy continues to change, that they offer courses that are aligned to the jobs of the future. To do this successfully, TAFE institutes will need to continue to develop their capabilities (and information sources) necessary to identify and respond to new market opportunities.

Government is supporting TAFEs to adapt and compete

The Government continues to support TAFE institutes to adjust to the opening up of the training market. These actions include the $200 million TAFE Structural Adjustment Fund and the streamlining of reporting obligations.

Because of the mix of courses that they provide, TAFE institutes received a greater share of government spending on training than their actual market share. In 2013, Government operating grants to TAFE institutes increased to $600 million from $487million in 2010. TAFE institutes received 45 per cent of state training funding in 2013.

Next steps

Individual TAFE institutes are now at different stages of change. Strategic direction setting by Boards and their executives will be critical to success, and the Department will continue to work together with TAFE institutes to support their transformations by:

- Helping TAFE institutes respond to student preferences and emerging market needs.
- Encouraging initiatives by TAFE institutes that enhance student experiences and outcomes.
- Encouraging greater operating efficiencies, by providing incentives for improved asset utilisation and more efficient cost structures.
- Supporting initiatives by TAFE institutes that improve their competitiveness, market share and financial sustainability (for example, by increasing economies of scale or diversifying income streams).
- Continuing to improve the performance reporting framework for TAFE institutes.

Appendix - Training for real jobs

Government subsidised apprenticeship enrolments by gender

Table 25.1, Number of government subsidised enrolments in apprenticeships by gender, 2010 to 2014 (half year)

Gender	2010	2011	2012	2013	2014
Females	3,800	3,800	3,500	3,200	3,500
Males	31,300	33,500	34,200	31,200	30,700
Total	**35,100**	**37,400**	**37,700**	**34,400**	**34,300**

Table 25.2, Change in number of government subsidised enrolments in apprenticeships by gender, 2010 to 2014 (half year)

	Percentage change			
Gender	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Females	-6%	-7%	2%	10%
Males	-2%	-8%	-10%	-1%
Total	**-2%**	**-8%**	**-9%**	**0%**

Government subsidised apprenticeship enrolments by sector

Table 26.1, Number of government subsidised apprenticeship enrolments by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	50	70	80	90	90
University	6,200	6,700	6,500	6,100	5,200
Private RTO	5,900	6,600	7,200	7,100	7,800
TAFE	23,000	23,900	23,800	21,100	21,200
Total	**35,100**	**37,400**	**37,700**	**34,400**	**34,300**

Table 26.2, Change in the number of government subsidised apprenticeship enrolments by sector, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	75%	37%	12%	9%
University	-16%	-22%	-20%	-14%
Private RTO	32%	18%	8%	9%
TAFE	-8%	-11%	-11%	0%
Total	**-2%**	**-8%**	**-9%**	**0%**

Government subsidised traineeship enrolments by sector

Table 27.1, Number of government subsidised traineeship enrolments by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	2,500	2,100	2,600	1,800	1,500
University	2,700	1,900	2,000	1,200	700
Private RTO	20,700	34,900	49,900	32,400	23,700
TAFE	8,300	8,000	9,200	5,800	4,800
Total	**34,300**	**46,900**	**63,600**	**41,100**	**30,700**

Table 27.2, Change in the number of government subsidised traineeship enrolments by sector, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	-40%	-30%	-42%	-14%
University	-74%	-63%	-64%	-41%
Private RTO	14%	-32%	-53%	-27%
TAFE	-42%	-39%	-47%	-16%
Total	**-10%**	**-35%**	**-52%**	**-25%**

Table 28, Number and percentage change of government subsidised traineeship enrolments by whether in specialised or in shortage occupations by sector, 2013 to 2014 (half year)

			Percentage change
Sector	2013	2014	2013 to 2014
	In Shortage or Specialised Qualifications		
Learn Local	670	550	-18%
University	370	230	-37%
Private RTO	5,000	4,300	-14%
TAFE	1,700	2,100	25%
Total	**7,800**	**7,200**	**-7%**
	Other Accredited Industry-Specific Qualifications		
Learn Local	1,100	950	-13%
University	830	480	-42%
Private RTO	27,400	19,300	-29%
TAFE	4,100	2,700	-33%
Total	**33,300**	**23,500**	**-30%**

Appendix - Expanding opportunities for students

Share of students and enrolments by sector

Table 29.1, Number of students in government subsidised training by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	25,300	25,800	34,900	30,600	28,700
University	40,400	38,900	39,900	30,800	25,100
Private RTO	47,900	102,000	172,900	152,200	175,700
TAFE	103,200	101,200	109,200	94,200	82,400
Total	**216,900**	**268,000**	**356,900**	**307,800**	**311,900**

Table 29.2, Change in number of students in government subsidised training by sector, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	13%	11%	-18%	-6%
University	-38%	-35%	-37%	-18%
Private	266%	72%	2%	15%
TAFE	-20%	-19%	-24%	-12%
Total	**44%**	**16%**	**-13%**	**1%**

Share of estimated delivery hours by sector

Table 30.1, Estimated hours (millions) government subsidised enrolments and TAFE fee-for-service AQF I+, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	5.0	6.0	9.1	7.8	8.0
University	18.4	18.3	18.8	14.2	9.9
Private RTO	14.9	34.9	61.3	56.7	72.6
TAFE	38.2	39.7	47.3	41.1	32.7
Subtotal	**76.4**	**99.0**	**136.5**	**119.7**	**123.1**
TAFE fee-for service	8.9	8.2	9.8	8.9	9.6
Total	**85.3**	**107.2**	**146.3**	**128.6**	**132.6**

Table 30.2, Change estimated hours (millions) government subsidised enrolments and TAFE fee-for-service AQF I+, 2010 to 2014 (half year)

Sector	Percentage change 2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	60%	33%	-12%	2%
University	-46%	-46%	-48%	-30%
Private RTO	388%	108%	18%	28%
TAFE	-14%	-18%	-31%	-21%
Sub-total	**61%**	**24%**	**-10%**	**3%**
TAFE fee-for service	8%	16%	-3%	8%
Total	**56%**	**24%**	**-9%**	**3%**

Indigenous students

Table 31.1, Number of Indigenous students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (Half year)

	2010	2011	2012	2013	2014
Students	2,930	3,500	4,140	3,940	4,180
Enrolments	3,810	4,310	5,300	5,190	5,120

Table 31.2, Change in number of Indigenous students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (Half year)

	Percentage change 2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	43%	19%	1%	6%
Enrolments	34%	19%	-3%	-1%

Table 32.1, Number of Indigenous student enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	320	410	510	530	470
University	400	420	430	290	250
Private RTO	470	960	1,490	1,630	1,960
TAFE	1,740	1,710	1,700	1,500	1,500
Total	**2,930**	**3,500**	**4,140**	**3,940**	**4,180**

Table 32.2, Change in number of Indigenous student enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	Percentage change 2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	49%	15%	-7%	-10%
University	-38%	-41%	-42%	-12%
Private RTO	322%	104%	31%	20%
TAFE	-14%	-12%	-12%	0%
Total	**43%**	**19%**	**1%**	**6%**

Table 33.1, Number of government subsidised enrolments by Certificate level for Indigenous students, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Certificate I-II	1,500	1,610	1,760	1,840	1,140
Certificate III-IV	1,420	1,910	2,580	2,370	2,740
Diploma and above	290	400	480	400	450
Module only	160	120	180	150	320
Other	130	90	110	200	170
Secondary education	320	190	190	230	310
Total	**3,810**	**4,310**	**5,300**	**5,190**	**5,120**

Other includes Other Non-award Courses, Statement of Attainment Not Identifiable by Level, Bridging and Enabling Courses Not Identifiable by Level and Education not elsewhere classified

Table 33.2, Change in number of government subsidised enrolments by Certificate level for Indigenous students, 2010 to 2014 (half year)

	Percentage change 2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Certificate I-II	-24%	-29%	-35%	-38%
Certificate III-IV	93%	44%	6%	16%
Diploma and above	56%	12%	-7%	11%
Module only	100%	175%	78%	114%
Other	37%	97%	60%	-15%
Secondary education	-3%	67%	61%	36%
Total	**34%**	**19%**	**-3%**	**-1%**

Table 34, Number and percentage of government subsidised enrolments by Indigenous students in the top six employing industries in Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Construction	290	360	410	440	550
Education and Training	70	100	110	130	90
Health Care and Social Assistance	420	540	780	850	1,000
Manufacturing	190	270	230	240	260
Professional, Scientific and Technical Services	30	20	40	40	60
Retail Trade	90	120	210	100	70
% of enrolments in top 6	**46%**	**50%**	**55%**	**61%**	**63%**

Note: 2013 top employing industries were used across all years.

Students with a disability

Table 35.1, Number of students with a disability enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	18,000	22,200	27,600	26,500	28,400
Enrolments	23,100	28,700	37,500	36,200	35,100

Table 35.2, Change in number of students with a disability enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	58%	28%	3%	7%
Enrolments	52%	22%	-6%	-3%

Table 36.1, Number of students with a disability enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	4,600	5,300	6,800	6,700	7,300
University	3,000	3,100	3,200	2,700	2,100
Private RTO	2,400	5,500	9,200	9,700	12,400
TAFE	8,000	8,400	8,400	7,400	6,600
Total	**18,000**	**22,200**	**27,600**	**26,500**	**28,400**

Table 36.2, Change in number of students with a disability enrolled in government subsidised training by sector, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	58%	39%	7%	9%
University	-28%	-31%	-32%	-21%
Private RTO	427%	125%	35%	27%
TAFE	-18%	-21%	-21%	-11%
Total	**58%**	**28%**	**3%**	**7%**

Table 37.1, Number of government subsidised enrolments by Certificate level for students with a disability , 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Certificate I-II	7,300	9,600	12,900	13,500	10,600
Certificate III-IV	7,200	10,100	14,500	13,200	14,300
Diploma and above	3,000	3,800	4,300	3,200	3,000
Module only	3,800	3,400	3,500	3,700	4,300
Other	1,000	800	1,300	1,400	1,700
Secondary education	800	900	1,000	1,200	1,300
Total	**23,100**	**28,700**	**37,500**	**36,200**	**35,100**

Other includes Other Non-award Courses, Statement of Attainment Not Identifiable by Level, Bridging and Enabling Courses Not Identifiable by Level and Education not elsewhere classified

Table 37.2, Change in number of government subsidised enrolments by Certificate level for students with a disability, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Certificate I-II	44%	10%	-18%	-22%
Certificate III-IV	100%	41%	-1%	9%
Diploma and above	-1%	-22%	-31%	-6%
Module only	13%	27%	23%	16%
Other	74%	98%	24%	18%
Secondary education	58%	43%	35%	9%
Total	**52%**	**22%**	**-6%**	**-3%**

Table 38, Number and percentage of government subsidised enrolments by students with a disability in the top six employing industries in Victoria, 2010 to 2014 (Half year)

	2010	2011	2012	2013	2014
Construction	1,030	1,320	1,540	1,420	1,580
Education and Training	300	370	500	480	420
Health Care and Social Assistance	2,350	3,170	4,240	4,430	5,340
Manufacturing	980	1,220	1,370	1,280	1,520
Professional, Scientific and Technical Services	600	590	690	570	560
Retail Trade	610	850	1,230	540	390
% of enrolments in top 6	**53%**	**52%**	**54%**	**58%**	**59%**

Note: 2013 top employing industries were used across all years.

Unemployed students

Table 39.1, Number of unemployed students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	39,200	53,000	77,000	79,200	89,000
Enrolments	50,400	68,900	104,600	106,000	109,600

Table 39.2, Change in number of unemployed students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	127%	68%	15%	12%
Enrolments	117%	59%	5%	3%

Table 40.1, Number of unemployed students enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	6,400	7,300	11,000	9,900	9,500
University	8,100	7,400	7,900	6,200	5,100
Private RTO	6,300	19,500	37,500	42,900	59,700
TAFE	18,300	18,700	20,500	20,100	14,600
Total	**39,200**	**53,000**	**77,000**	**79,200**	**89,000**

Table 40.2, Change in number of unemployed students enrolled in government subsidised training by sector, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	49%	30%	-13%	-4%
University	-37%	-31%	-35%	-18%
Private RTO	841%	206%	59%	39%
TAFE	-21%	-22%	-29%	-27%
Total	**127%**	**68%**	**15%**	**12%**

Table 41.1, Number of government subsidised enrolments by unemployed students by Certificate level, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Certificate I-II	13,100	19,900	31,900	38,500	24,000
Certificate III-IV	18,700	29,500	51,300	49,100	66,700
Diploma and above	9,700	12,700	13,400	10,200	9,700
Module only	4,800	3,400	3,000	3,400	4,000
Other	1,800	1,200	2,400	2,200	2,200
Secondary education	2,200	2,300	2,500	2,600	2,900
Total	**50,400**	**68,900**	**104,600**	**106,000**	**109,600**

Other includes Other Non-award Courses, Statement of Attainment Not Identifiable by Level, Bridging and Enabling Courses Not Identifiable by Level and Education not elsewhere classified

Table 41.2, Change in number of government subsidised enrolments by unemployed students by Certificate level, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Certificate I-II	83%	21%	-25%	-38%
Certificate III-IV	256%	126%	30%	36%
Diploma and above	0%	-23%	-27%	-4%
Module only	-17%	17%	31%	17%
Other	17%	77%	-11%	-2%
Secondary education	32%	26%	14%	12%
Total	**117%**	**59%**	**5%**	**3%**

Table 42, Number and percentage of government subsidised enrolments by unemployed students in the top six employing industries in Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Construction	2,940	3,540	4,790	5,430	6,570
Education and Training	690	1,170	1,390	1,780	1,910
Health Care and Social Assistance	6,830	10,980	15,720	18,790	26,110
Manufacturing	1,750	1,900	2,350	2,590	5,880
Professional, Scientific and Technical Services	2,370	2,410	2,470	2,040	1,860
Retail Trade	940	1,560	2,680	870	910
% of enrolments in top 6	**55%**	**53%**	**51%**	**58%**	**60%**

Note: 2013 top employing industries were used across all years.

Culturally and Linguistically Diverse (CALD) students

Table 43.1, Number of CALD students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	45,100	58,300	84,900	82,600	94,200
Enrolments	56,100	72,800	112,100	106,700	113,200

Table 43.2, Change in number of CALD students enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	109%	62%	11%	14%
Enrolments	102%	56%	1%	6%

Table 44.1, Number of CALD students enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	7,300	7,700	10,300	10,100	9,200
University	10,600	10,800	11,600	9,400	7,400
Private RTO	8,100	21,100	46,200	46,100	63,500
TAFE	19,100	18,600	16,900	17,000	14,100
Total	**45,100**	**58,300**	**84,900**	**82,600**	**94,200**

Table 44.2, Change in number of CALD students enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	Percentage change 2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	26%	19%	-11%	-9%
University	-31%	-32%	-36%	-21%
Private RTO	683%	200%	38%	38%
TAFE	-26%	-24%	-16%	-17%
Total	**109%**	**62%**	**11%**	**14%**

Table 45.1, Number of government subsidised enrolments by CALD students by Certificate level, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Certificate I-II	11,700	15,600	26,300	29,000	21,800
Certificate III-IV	22,900	33,500	57,400	54,800	68,700
Diploma and above	12,100	15,400	18,300	14,000	14,600
Module only	6,100	5,000	4,500	4,900	4,600
Other	2,300	2,200	4,700	2,900	2,500
Secondary education	1,000	1,000	900	1,000	1,000
Total	**56,100**	**72,800**	**112,100**	**106,700**	**113,200**

Other includes Other Non-award Courses, Statement of Attainment Not Identifiable by Level, Bridging and Enabling Courses Not Identifiable by Level and Education not elsewhere classified

Table 45.2, Change in number of government subsidised enrolments by CALD students by Certificate level, 2010 to 2014 (half year)

	Percentage change 2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Certificate I-II	86%	39%	-17%	-25%
Certificate III-IV	200%	105%	20%	25%
Diploma and above	21%	-5%	-20%	4%
Module only	-24%	-9%	2%	-7%
Other	8%	14%	-46%	-12%
Secondary education	0%	-3%	12%	5%
Total	**102%**	**56%**	**1%**	**6%**

Table 46, Number and percentage of government subsidised enrolments by CALD students in the top six employing industries in Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Construction	2,760	3,390	4,420	5,970	6,070
Education and Training	720	1,080	1,060	1,220	1,590
Health Care and Social Assistance	6,630	10,300	15,990	19,320	27,090
Manufacturing	3,000	4,720	7,960	7,880	10,390
Professional, Scientific and Technical Services	2,750	2,730	2,690	2,330	2,420
Retail Trade	1,640	2,410	4,040	1,700	1,460
% of enrolments in top 6	**62%**	**62%**	**60%**	**68%**	**67%**

Note: 2013 top employing industries were used across all years.

Young people 15 to 19 years who are not at school and do not have at least Year 12 or a Certificate II

Table 47.1, Number of students 15 to 19 years without at least Year 12 or a Certificate II and not at school enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	21,300	23,600	25,200	21,000	20,100
Enrolments	26,200	30,100	35,300	30,500	25,500

Table 47.2, Change in number of students 15 to 19 years without at least Year 12 or a Certificate II and not at school enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	-6%	-15%	-20%	-4%
Enrolments	-2%	-15%	-28%	-16%

Table 48.1, Number of students 15 to 19 years without at least Year 12 or a Certificate II and not at school enrolled in government subsidised training by sector, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Learn Local	1,900	2,100	2,600	2,500	2,400
University	3,500	3,100	3,300	2,200	2,100
Private RTO	3,800	7,100	7,900	6,500	6,200
TAFE	12,200	11,400	11,300	9,800	9,400
Total	**21,300**	**23,600**	**25,200**	**21,000**	**20,100**

Table 48.2, Change in number of students 15 to 19 years without at least Year 12 or a Certificate II and not at school enrolled in government subsidised training by sector, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	24%	15%	-10%	-6%
University	-40%	-33%	-36%	-5%
Private RTO	63%	-12%	-22%	-4%
TAFE	-22%	-17%	-17%	-4%
Total	**-6%**	**-15%**	**-20%**	**-4%**

Table 49.1, Number of government subsidised enrolments by Certificate level by students 15 to 19 years without at least Year 12 or a Certificate II and not at school, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Certificate I-II	7,900	10,200	13,900	12,800	6,000
Certificate III-IV	12,900	14,700	16,000	12,700	12,100
Diploma and above	600	1,200	800	500	600
Module Only	500	300	400	300	500
Other	900	400	600	600	1,000
Secondary education	3,300	3,400	3,600	3,600	5,300
Total	**26,200**	**30,100**	**35,300**	**30,500**	**25,500**

Other includes Other Non-award Courses, Statement of Attainment Not Identifiable by Level, Bridging and Enabling Courses Not Identifiable by Level and Education not elsewhere classified

Table 49.1, Change in number of government subsidised enrolments by Certificate level by students 15 to 19 years without at least Year 12 or a Certificate II and not at school, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Certificate I-II	-24%	-41%	-57%	-53%
Certificate III-IV	-6%	-17%	-24%	-4%
Diploma and above	1%	-48%	-25%	37%
Module Only	0%	110%	41%	63%
Other	9%	132%	65%	66%
Secondary education	57%	54%	45%	44%
Total	**-2%**	**-15%**	**-28%**	**-16%**

Table 50, Number and percentage of government subsidised enrolments by students 15 to 19 years without at least Year 12 or a Certificate II and not at school in the top six employing industries in Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Construction	5,700	6,300	6,100	4,700	4,100
Education and Training	100	300	200	400	100
Health Care and Social Assistance	1,100	1,600	2,000	2,100	2,600
Manufacturing	2,100	2,000	2,000	1,600	1,700
Professional, Scientific and Technical Services	200	200	300	200	300
Retail Trade	1,500	1,700	2,400	1,000	700
% of enrolments in top 6	**59%**	**57%**	**58%**	**59%**	**59%**

Note: 2013 top employing industries were used across all years.

Students aged 20 to 64 years not holding a Certificate III or above qualification in training

Table 51.1, Number of students aged 20 to 64 years without at least a Certificate III enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	97,100	131,700	184,400	163,200	169,700
Enrolments	113,900	156,500	233,100	207,500	208,400

Table 51.2, Change in number of students aged 20 to 64 years without at least a Certificate III enrolled in government subsidised training and number of government subsidised enrolments, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	75%	29%	-8%	4%
Enrolments	83%	33%	-11%	0%

Table 52.1, Number of students aged 20 to 64 years without at least a Certificate III enrolled in government subsidised training by sector, 2010 to 2014 (half year)

Sector	2010	2011	2012	2013	2014
Learn Local	12,800	14,000	17,100	15,500	15,000
University	16,600	16,600	16,800	12,300	10,500
Private RTO	21,700	51,900	96,300	88,700	109,400
TAFE	46,000	49,300	54,300	46,600	34,700
Total	**97,100**	**131,700**	**184,400**	**163,200**	**169,700**

Table 52.2, Change in number of students aged 20 to 64 years without at least a Certificate III enrolled in government subsidised training by sector, 2010 to 2014 (half year)

	Percentage change			
Sector	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Learn Local	17%	7%	-12%	-3%
University	-37%	-36%	-37%	-14%
Private RTO	404%	111%	14%	23%
TAFE	-24%	-29%	-36%	-25%
Total	**75%**	**29%**	**-8%**	**4%**

Table 53, Number and percentage of government subsidised enrolments by students aged 20 to 64 years without at least a Certificate III in the top six employing industries in Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Construction	13,190	16,290	19,540	22,410	20,660
Education and Training	1,410	2,840	3,380	2,850	3,430
Health Care and Social Assistance	13,410	19,090	28,130	29,870	37,910
Manufacturing	7,560	11,770	17,770	17,810	21,950
Professional, Scientific and Technical Services	4,250	4,420	4,640	3,870	3,400
Retail Trade	4,270	6,740	10,380	4,920	3,620
% of enrolments in top 6	**59%**	**57%**	**55%**	**62%**	**62%**

Note: 2013 top employing industries were used across all years.

Better training in regional Victoria

Table 54.1, Number of students enrolled in government subsidised training delivered in regional Victoria, 2010 to 2014 (half year)

	2010	2011	2012	2013	2014
Students	63,700	72,000	93,200	78,100	75,100

Table 54.2, Change in number of students enrolled in government subsidised training delivered in regional Victoria, 2010 to 2014 (half year)

	Percentage change			
	2010 to 2014	2011 to 2014	2012 to 2014	2013 to 2014
Students	18%	4%	-19%	-4%

Appendix - Better quality training and less red tape

Orange highlights are areas of focus for 2014	Purple highlights are areas of near term and future work

VET STUDENT LIFE JOURNEY	WHAT WE EXPECT FOR STUDENTS	HOW WE ENSURE OUR EXPECTATIONS ARE MET Entry-to-market for providers	Contract compliance and enforcement	Detect	Investigate / Act	FORWARD WORK Measuring performance
Awareness of government support for training	Student understands the value and limitations of their training entitlement	N/A	Require providers' marketing to be ethical and accurate, including description of training entitlement, eligibility, concessions, etc.	Analyse complaints to Department – marketing Monitor providers' marketing materials – ongoing	Investigations and resulting actions are escalating and proportionate to what has been detected and proved. Actions available to the Department range from meeting and correspondence with providers to seek resolution through to suspension of payments, suspension of training commencements, referral to the regulator/police, recovery of funds and contract termination.	
Choosing a course	Student can access accurate and comparable information on training products and how their choices affect their future	N/A	Require providers to publish fees online in an accessible place	Monitor providers' fees publications – ongoing		
Choosing a provider	Student can access accurate and comparable information on providers and delivery modes and evaluate how their choices will affect their training outcome	Set and maintain high standards: provider must have satisfactory history of contract performance, strong financial health, robust governance and ownership. Require Departmental approval of providers' higher-risk subcontracting arrangements (to non-contracted and non-registered training organisations). Require that providers report their delivery forecasting (volume) and describe delivery model(s)	Require providers to issue Statement of Fees for each student ('product disclosure') Enhance product disclosure requirements for each student	Analyse complaints to Department – third parties involved in training Conduct audits of providers re. information about third party relationships Conduct audits of providers re. Statement of Fees – that it was provided and met product disclosure requirements	Conduct in-depth investigative audits to determine whether students have acknowledged the impact of enrolment on their entitlement Conduct targeted surveys and/or obtain formal statements from students, trainers, etc. with regard to how the provider communicated training product options and the impact of enrolment on entitlement	Pilot performance indicator framework (currently underway), including the following measures: Student satisfaction (survey) Course completion rates (provider reporting) Student outcomes (survey) Industry/employer engagement satisfaction (survey)
Planning training and support	**Training program is suitable for the student** Student's training program meets the individual's need, links to likely job/participation outcomes and minimises duplication of existing competencies **Training program is structured in an appropriate way** Student's training program is delivered using optimal modes for the individual and supports (including LLN) are in place to support participation and attainment	'Approved Provider' lists for RPL and Foundation Skills courses: Require providers to demonstrate (via formal expert evaluation) how they ensure RPL and foundation level training meets the student's needs.	Require that providers' Pre-Training Review (PTR) articulate likely job outcomes, identify existing competencies and ascertain best delivery modes for student. For literacy and numeracy support, the PTR 'mirrors' Foundation Skills *entry*-to-market requirements to ensure ongoing compliance *during* contract term. –> Pre-Training Review feeds into student's Training Plan	Analyse complaints to Department – poor individualised support to students and marginal use of training products Conduct audits of providers re. *adequacy* of Pre-Training Review *process*	Undertake targeted review (including by the Department's Market Monitoring Unit) of poor individualised support and marginal use of training products Conduct in-depth investigative audits to determine the presence and compliance of Training Plans	
Participation in training and assessment	**Training is high quality** Student undertakes high quality training **Assessment evaluates student progress** Student assessment is high quality and determines whether individual's identified needs have been met and competencies achieved	Analyse providers' delivery forecasting and model to contribute to monitoring and annual risk assessment for audit program.	Require that providers deliver training and assessment in accordance with national quality standards	Analyse data for outlier behaviour and potential risks to quality, including growth in delivery, course duration, dual enrolments, etc. Conduct audits to test the *effectiveness* of providers' Pre-Training Review at the completion of training (assessment stage)	Conduct targeted audits of training and assessment quality Conduct targeted surveys and/or obtain formal statements from students, trainers, etc. with regard to experience of individualised planning and support for students	
Feeding back on experience	The student has an opportunity to provide feedback on their experience during training and after program has been completed/ceased (including any job outcomes/further study pathways)	Develop options for considering performance measurement in contracting (over the medium term)	Require that providers have, and accessibly publish, a complaints/ appeals process and refund policy	Analyse complaints to Department – student experience of training		