How good is choice in the VET market? “Not very,” says big data

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Presented at the Community Colleges Australia Annual Conference, Brisbane, 19 November 2019

Introduction

- Access, equity and lifelong learning are enduring concepts in Australian VET, most comprehensively linked to each other by Kangan
- Large national data sets provide a mechanism to track the results of increasing the choice of provider in contestable VET markets
- How have two state VET markets translated policy intention into outcomes that facilitate access, equity and lifelong learning?

What was anticipated?

- Increased diversity of provider types
- Increased efficiency, reduced costs to public
- Larger numbers of students from remote and regional areas accessing greater range of VET
- More students training in a wider range of occupations due to new technologies; greater systemic responsiveness, flexibility, innovation
- Improved equity resulting from better access and increased choice for lower socio-economic residents
- If not, have the markets delivered their intended outcomes?

The policy environment

- Remove government monopolies in line with micro-economic reform/national competition
- New Public Management of contracting out, marketising and/or privatising delivery functions
- Proper markets foster diversity, choice and responsiveness in public services while securing standards of access and equity (Harper, *et al.*)
- Delivery of VET in contestable markets has been bi-partisan policy for over a quarter of a century

What is tracked in this study?

- Overall system contextual data (numbers of students and provider types)
- Training package enrolment patterns (e.g., impact of technology on labour & VET market)
- Geographic enrolment patterns (access)
- Indigenous status (equity)
- Socio-Economic Index For Areas (equity & access)
- Location of Registered Training Organisations
- Victoria (early mover, most mature market) and NSW (‘belated pivot’ to the market)

When?

- 2004 (allows for more consistent comparison of training packages by student enrolments)
- 2009 (Early market Victorian Training Guarantee and VET FEE-HELP)
- 2013 (Pre-Smart & Skilled in NSW, reduced Federal traineeship subsidies)
- 2017 (Latest comprehensive VET data in the National Provider Collection and TVA)

VET system contextual data (1)

Item	1998	2009	2017	Change 1998 – 2017 (%)
Total Students (Table 1)	**1,518,000**	**1,275,000**	**1,190,000**	**-328,000 (-21.6%)**
Subject Enrolments (Table 6)	10,135,000	10,996,000	10,825,000	690,000 (+6.8%)
Delivery Hours (Table 7)	283,900,000	358,600,000	357,600,000	+73,300,000 (+25.8%)
TAFE and Other Government Providers (Table 10 Students)	1,155,000	876,600	622,100	-532,900 (-53.9%)
Community Education Providers (Table 10 Students)	**233,700**	**114,400**	**68,200**	**-165,500 (-71.0%)**
Other Registered Providers (Table 10 Students)	151,300	271,900	475,000	+323,700 (+314%)
Australian Estimated Resident Population (June)	**18,607,000**	**21,691,000**	**24,602,000**	**5,995,000 (132%)**

VET system contextual data (2)

- Successful policy implementation:
- VET efficiency increased, -$/hour (Noonan)
- Decreased public expenditure (everyone!)
- Increased diversity of providers (% of market):

Table one (% of Government-funded students)	2004	2009	2013	2017
TAFE and other government providers	78.8	76.9	55.6	52.3
Community education providers	**10.7**	**8.9**	**7.3**	**5.7**
Other registered providers	10.1	13.5	36.2	39.9
Source	(NCVER 2005, p. 8)	(NCVER 2011, p. 15)	(NCVER 2014b, p. 17)	(NCVER 2018a, p. 5)

Training Package Results (1)

- TPs are important enablers of marketisation by describing the product (Wheelahan)
- ‘Demand-driven’ markets in Victoria failed due to budget blow outs (NSW Policy Learning)
- 2004 84% of students in top 20 TPs (national)
- 2017 progressively increased to 92.7%
- 2017 TVA same concentration at 92.1% (X-TAE)
- 2017 80% enrolled in top 6 fields of education
- VET FEE-HELP was highly concentrated:
  6 courses accounted for over half of the loans

Training Package Results (2)

- Victorian TVA in 2017 reported 90.6% of student program enrolments in the top 20 TPs
- That included Resource and Infrastructure & Food Processing
- NSW even more concentrated with 93.6%
- That included Animal Care and Management & Metal and Engineering
- I.E., Vic and NSW shared 18/20 top 20 TPs
- Shrinking range of training on offer in spite of the rhetoric of disruptive changes in the labour market

Geographic Access Patterns (1)

- Nationally – government-funded students (%)

Table Two ('000)	2004	2017	Change 2004-17	Change 2009-17
Major cities	838.8 (52.6%)	728.7 (61.2%)	-110.1 (-13.1%)	-189.0 (-20.6%)
Inner regional	350.4 (21.9%)	280.9 (23.6%)	-69.5 (-19.8%)	-114.0 (-28.9%)
Outer regional	229.9 (14.4%0	129.9 (10.9%)	-69.7 (-30.3%)	-120.0 (-48.0%)
Remote	39.1 (2.4%)	24.5 (2.1%)	-14.6 (-37.3%)	-16.6 (-40.1%)
Very remote	28.0 (1.7%)	16.6 (1.4%)	-11.4 (-40.7%)	-18.2 (-52.3%)

- Victoria

Table Three ('000)	2004	2017	Change 2004-17	Change 2009-17
Major cities	272.8 (56.7%)	215.1 (68.3%)	-57.7 (-21.2%)	-75.2 (-25.9%)
Inner regional	125.9 (26.2%)	81.9 (26.0%)	-44.0 (-34.9%)	-54.9 (-40.1%)
Outer regional	36.6 (7.6%)	15.1 (4.8%)	-21.5 (-58.7%)	-23.7 (-61.1%)
Remote	4.7 (1%)	0.4 (0.1%)	-4.3 (-91.5%)	-1.6 (-80.0%)
Very remote	N/A	N/A	N/A	N/A

Geographic Access Patterns (2)

- NSW – government-funded students (%)

Table Four ('000)	2004	2017	Change 2004-17	Change 2009-17
Major cities	282.5 (56%)	266.4 (62.9%)	-16.1 (-5.7%)	-39.5 (-12.9%)
Inner regional	121.0 (24%)	109.8 (26.0%)	-11.2 (-9.3%)	-17.4 (-13.7%)
Outer regional	79.6 (15.8%)	38.6 (9.1%)	-41.0 (-51.5%)	-48.6 (-55.7%)
Remote	8.6 (1.7%)	3.8 (0.9%)	-4.8 (-55.8%)	-6.6 (-63.5%)
Very remote	1.6 (0.3%)	1.3 (0.3%)	-0.3 (-18.8%)	-0.9 (-40.9%)

- National – Total VET Activity

Table Five ('000)	2016	2017	% Change 2016-17
Major Cities	2 465.3 (59.2%)	2 509.6 (59.2%)	1.8
Inner Regional	811.2 (19.3%)	806.7 (19.0%)	-0.6
Outer Regional	405.7 (9.6%)	395.3 (9.3%)	-2.6
Remote	72.4 (1.7%)	69.1 (1.6%)	-4.7
Very Remote	42.9 (1%)	40.5 (1%)	-5.6

Geographic Access Outcomes

- Disproportionately larger reduction in non-metropolitan enrolments in a generally shrinking VET market
- Increased major city concentration of delivery
- National pattern reflected in both Victoria and NSW – not unexpected given their size
- In spite of coming later to the market, NSW ended up with the same outcomes

Equity (1)

- 1998-2017 increased Indigenous enrolment from 44,200 to 84,500 nationally. 3,900 to 6,400 in Victoria, 13,300 to 36,900 in NSW. Cited as market success.
- Long pattern since 1981 of increased self-identification of Indigenous status in each census (up to 30%) in 2016 in some areas
- Mostly in major cities and inner regions on the East Coast
- Increased VET participation likely to mirror this change in self-identification & concentration of VET delivery in the major cities and inner regions

Equity (2) – SEIFA Changes 2013-2017 Quintiles 1&2 vs. 4&5 (Most advantaged)

Table Six	Quintiles 1&2	Quintiles 4&5
National	-136,100	-91,000
Victoria	-80,100	-60,600
NSW	-2,300	+2,700
TVA 2016-2017	-14,000	+26,100

- Student enrolments further reflect the shift of training delivery to the major cities and inner regional areas as well as shifts in the distribution of training in the metropolitan areas away from the most disadvantaged to the most advantaged.

Location of RTOs in Victoria

- Disparity of delivery in regional, rural and remote areas described by Dept. of Education and Training, Halsey Review, NSW Parliament
- Late 2018, Victoria had 1014 RTOs with headquarters' post code in the state
- 88% in major city, 10.8% inner region, 1.5% outer region, none in remote area
- 60 private providers inner regional, 5 outer
- Of the 777 for-profits only 65 (8.3%) are located outside the major city zone
- TAFE has withdrawn from regions across the state

Location of RTOs in NSW

- NSW has very remote areas, unlike Victoria
- Early 2019, NSW had 1142 RTOs with headquarters’ post code in the state
- 88.4% in major city, 10% inner region, 1.7% outer region, none in remote or very remote areas
- 80 private providers inner regional, 10 outer
- Of the 972 for-profits only 90 (9.3%) are located outside the major city zone; 98% concentration
- TAFE has withdrawn from regions across the state

Conclusions

- VET public policy implementation success in reducing government expenditure, increasing the diversity of providers and implementing a contestable market
- In spite of new technologies, VET studies are increasingly concentrated in a fewer training packages, courses and fields
- The markets have shifted training (and RTOs) into major cities and out of regional & remote localities, removing delivery completely for some
- Indigenous increases likely reflect population identification rather than equity improvements

Conclusions

- VET delivery is being shifted from the most disadvantaged to the most advantaged
- Choice of provider has come at the cost of choice of location of training, mode of study, course offerings, range of occupations, levels of study and post-school options or even choice at all
- Access, equity and the support for lifelong learning have not been achieved despite the stated intentions in many glossy policy launches
- NSW learnt from the policy experiment of being ‘demand-driven’ and despite taking different trajectories Victoria and NSW produced the same results by creating their own VET markets

Source Papers

- The full conference papers from which this presentation is drawn can be accessed from VOCEDplus:
- *Student choice and lifelong learning: who you gonna call?*
- http://hdl.voced.edu.au/10707/512116
- *Student choice and lifelong learning in NSW: minding gap between rhetoric and reality*
- http://hdl.voced.edu.au/10707/511323

Questions and Discussion

Thank you for your attendance

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