Expansion of vocational education and training

Gerald Burke and Chandra Shah

Centre for the Economics of Education and Training (CEET)

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www.education.monash.edu.au/centres/ceet

Gerald.burke@education.monash.edu.au

Expanding the training system

- The size of the expansion required
- The cost of the expansion

Size of the expansion

The estimates of employment by qualifications and training requirements are derived from:

Chandra Shah and Gerald Burke 2006, *Qualifications and the future labour market in Australia,* Report prepared for the National Training Reform Taskforce, [online www.otte.vic.gov.au/vet.asp]

Qualifications of employed persons by major occupation, Australia 2005

	VET qual %	Higher education qual %	Number of workers ('000)
Managers & administrators	35	33	762
Professionals	20	69	1862
Associate professionals.	43	22	1233
Trades	64	4	1224
Advanced clerical & service	38	14	376
Intermed. clerical, sales etc	38	12	1588
Intermed. prod. & transport	29	4	823
Elementary clerical, sales and service	24	7	996
Labourers	26	4	843
Total	35	23	9707

Employment forecast by occupation, Australia

	2006 ('000)	2016 ('000)	% change 2006 to 2016
Managers	847	1,020	20.4
Professional	1,951	2,258	15.7
Associate profess	*1,240*	*1,505*	*21.4*
Trades	1,273	1,268	-0.4
Advanced clerical & service	402	375	-6.7
Intermediate clerical, sales & service	1,658	1,884	13.6
Inter prod & transport	823	914	11.1
Elem clerical, sales & service	984	1075	9.2
Labourers	863	933	8.1
Total	10,042	11,233	11.9

Employment forecasts by qualification, Australia,

	2006 ('000)	2016 ('000)	% change 2006-16
VET	3,582	4,669	30.3
Adv diploma	*496*	*620*	*25.0*
Diploma	*422*	*859*	*103.6*
Certificate IV	*359*	*556*	*54.9*
Certificate III	*1,590*	*1,933*	*21.6*
Certificate II	*420*	*494*	*17.6*
Certificate I	*295*	*206*	*-30.2*
Higher education	2,390	3,325	39.1
With qualifications	5,973	7,994	33.8
Without quals	4,069	3,239	-20.4
All	10,042	11,233	11.9

Numbers to be trained by qualification, Australia 2006 to 2016

		Numbers to be trained 2006 to 2016		
	Employment 2016 by qualification	New entrants	Existing workers	Total to be trained
	'000	'000	'000	'000
VET	4,669	1,215	1,260	2,474
Adv diploma	*620*	*80*	*266*	*346*
Diploma	*859*	*338*	*198*	*536*
Certificate IV	*556*	*149*	*161*	*310*
Certificate III	*1,933*	*442*	*469*	*911*
Certificate II	*494*	*150*	*109*	*259*
Certificate I	*206*	*55*	*56*	*111*
Higher education	3,325	1,031	528	1,559
All	7,994 qualified (out of total labour force of 11,233)	2,246	1,787	4,033

Shortfall in requirements, net completions of VET quals, Australia 2006-2016

Qualification level	Requirements to meet 2016 target ('000)	Net completions at 2005 delivery rate ('000)	Annual % increase to meet requirements
Adv Diploma	346	84	
Diploma	536	253	
Certificate IV	310	344	
Certificate III	911	799	
Certificate II	259	566	
Certificate I	111	186	
All	2,474	2,233	1.9

IPART Report

IPART *Up-skilling NSW*, December 2006

- \+ Over 3% increase per year in student numbers

- \- Little allowance for shift to higher level courses

Shortfall in requirements, VET hours (million) Australia, 2006 to 2016

VET qualification	Requirements to meet 2016 target	Delivery at 2005 rate	Annual % increase to meet requirements
Adv Diploma	736	157	
Diploma	1,068	483	
Certificate IV	462	514	
Certificate III	1,262	1107	
Certificate II	218	476	
Certificate I	118	198	
All	3,864	2,933	5.0

VET revenue, Australia

	1999	*2005*	*Increase 1999 to 2005 %*	*% of total 2005*
'Private' revenue $m	698	1,106	***58***	***21***
Government revenue $m	3,375	4,232	***25***	***79***
TOTAL revenue $m	4,073	5,338	***31***	***100***
TOTAL in constant 2005 prices $m	**5,126**	**5,338**	***4***	
Hours million	***299***	***356***	***19***	
Students (head count) '000	***1,615***	***1,641***	***2***	
$ per hour in constant prices	**17**	**15**	***-12***	
$ per student in constant prices	**3,175**	**3,252**	***2***	

What if total total VET revenues grow at 5 per cent per annum?

Projections	*Annual Growth rate*	*Revenue in 2006*	*in 2011*	*In 2016*
VET revenues $ billion	**5.0%**	**5.4**	**6.9**	**8.8**
GDP $ billion	**3.25%**	**966**	**1,133**	**1,330**
VET revenue % of GDP		**0.56**	**0.61**	**0.67**
Cumulative extra VET revenues from 2006 $million			***4,354***	***17,412***

Real funds by education sectors: 5 years 1999 to 2004?

	Increase in total real funds
Government schools	10%
Non-government schools	33%
Publicly funded Australian University Students	-2%
Vocational Education and Training VET	2%

Related support for training

- Australian and state employer incentives for apprentices/trainees -- increased rapidly
- Youth Allowance and ABSTUDY
- Employer spending on training (not measured)
- Other privately funded training (not measured)

Issues and future

- **Funding to grow at 5 per cent per annum?**
- **Australian programs 'Skills for the Future'**
- **State programs eg 'Skilled Victorians'**
- **Other funding: employers, fees, loans**
- **Reduce cost per hour -- as in recent years**
- **Improving completion rates, shortening courses**
- **Migration**