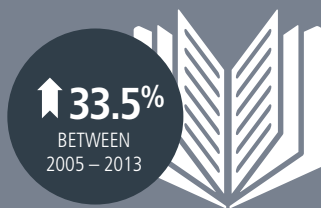


# VOCATIONAL EDUCATION AND TRAINING

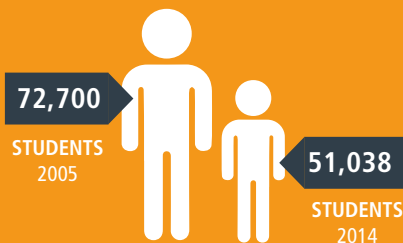
Vocational education and training (VET) is a part of the tertiary education and training system, providing young adults over the age of 15 with accredited training in job related and technical skills.

Greater numbers of people from  
**RURAL OR REGIONAL  
AREAS**



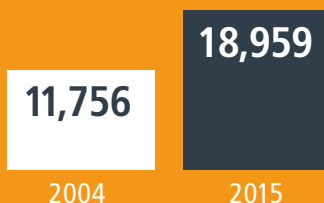
HAVE A CERTIFICATE III OR HIGHER

**FEWER PEOPLE**  
ARE ENTERING APPRENTICESHIPS



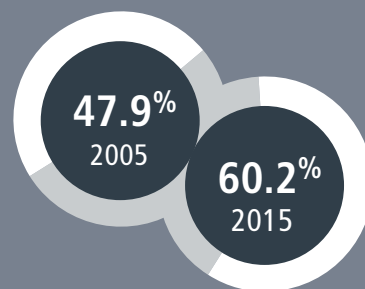
**AND TRAINEESHIPS**

**MORE PEOPLE**  
IN NSW ARE NOW COMPLETING  
HIGHER LEVEL\*



**VET QUALIFICATIONS**

\*AQF Diploma and Advanced Diploma



A great proportion of 20 – 64 YEAR OLDS  
**HAVE A CERTIFICATE III  
OR HIGHER**

# 4. Vocational education and training

Vocational education and training (VET) is a part of the tertiary education and training system, providing young adults over the age of 15 with accredited training in job related and technical skills. The system includes government and privately-funded VET, with courses delivered through a wide range of registered training organisations (RTOs).

The Certificate I, Certificate II, Certificate III, Certificate IV, Diploma, Advanced Diploma, Graduate Certificate and Graduate Diploma qualifications are Australian Qualifications Framework (AQF) accredited in the Vocational Education and Training sector.

Schools also provide some vocational education and training known as VET in Schools (VETiS). This nationally recognised training is available to all students as part of their senior secondary school education – offering students the chance to complete their secondary education, whilst acquiring work skills and gaining an accredited VET qualification. As of 2015, the Economic, Skills and Regional Development Division in the NSW Department of Industry became responsible for government-funded VET, with the NSW Department of Education retaining responsibility for VETiS.

## Individuals with a Certificate III or above

### Why is it important?

Certificate III is the third level (of ten) in the Australian Qualifications Framework<sup>35</sup> (AQF), and qualifies people to use their theoretical knowledge and skills to perform skilled work or pursue further learning<sup>36</sup>. Recognised nationally and internationally, this qualification allows flexible pathways for career development or continued education and training. It is the cornerstone of vocational qualifications, providing graduates with increased chances of finding work and earning a substantial income.

It is particularly important that this qualification is accessible for people in disadvantaged groups – such as individuals living in regional and remote areas, people from low SES backgrounds and Aboriginal persons. Improved outcomes for these groups will lift the overall education and skill level of our workforce, and at the same time address equity and diversity concerns.

<sup>35</sup> The Australian Qualifications Framework is the “national policy for regulated qualifications in Australian education and training”. Australian Qualifications Framework, About the AQF: <http://www.aqf.edu.au>

<sup>36</sup> Australian Qualifications Framework: Second Edition January 2013, AQF Specification for the Certificate III

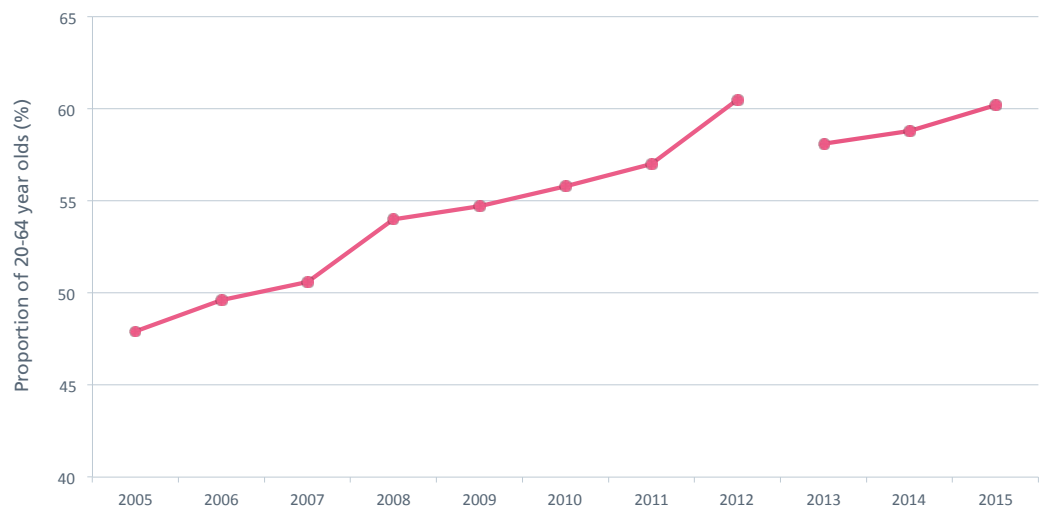
### What does the data tell us?

The proportion of 20-64 year olds who have completed a Certificate III (or above) increased between 2005 to 2012, peaking in 2012. Whilst a break in the series occurred in 2013, as people who are permanently unable to work were included in the data collection for the first time, the trend has continued to increase, reaching 60.2 per cent in 2015 (rising 2.1 percentage points since 2013).

**Figure 4.1:**

Proportion of 20-64 year olds with an AQF Certificate III or above, NSW, 2005-15

Source: Australian Bureau of Statistics, Education and Work, Australia, May 2015, Non-school qualification at Certificate III level or above, persons aged 20-64 years



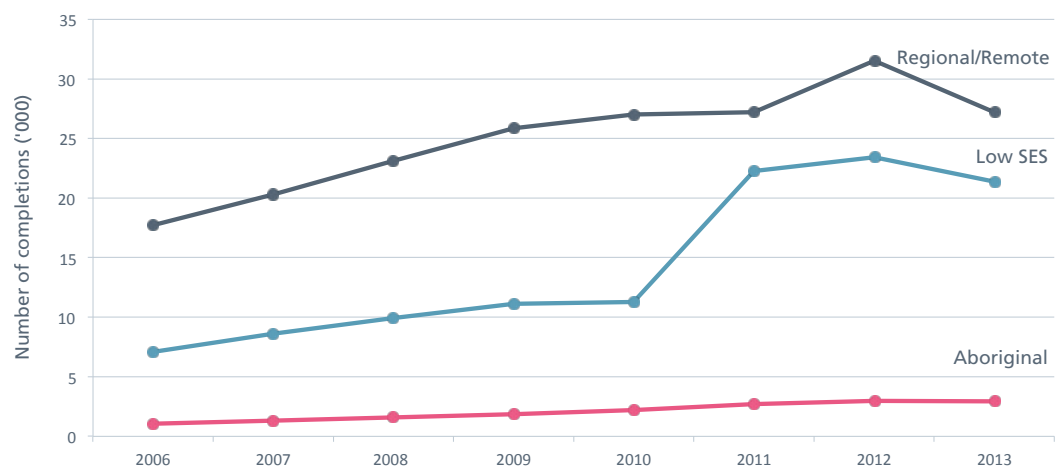
**Note:** In 2013, adults who are permanently unable to work were included in this data collection for the first time. Caution is therefore advised when comparing data before and after 2013.

Since 2006, the number of people who completed a Certificate III or above has increased for all equity groups, reaching peaks in 2012 before declining in 2013. In 2013, 27,230 students in regional and remote areas; 21,381 students from low SES backgrounds; and 2,923 Aboriginal students completed a Certificate III or above. For Aboriginal students, this represents almost a threefold increase since 2006.

**Figure 4.2:**

Number of 20-64 year olds who completed an AQF Certificate III or above, by equity groups, NSW, 2006-13

Source: NCVER, National VET Provider Collection, VOCstats



**Note:** Between 2010 and 2011, the number of students from low SES backgrounds who completed a Certificate III or above nearly doubled. This disproportionate increase coincides with a significant change in the method of classifying students as 'low SES', which changed in 2011<sup>37</sup>

<sup>37</sup> SEIFA Quartile 1 (IEO). In 2011 a new version of SEIFA was released (SEIFA 2011), which incorporated new 2011 Census data, additional variables, and new geographical boundaries (Australian Statistical Geography Standard). The apparent increase in Certificate III completions in low SES areas correlates with this revision of the method of calculating low SES.

## Diplomas and Advanced Diplomas

### Why is it important?

The purpose of the Diploma and Advanced Diploma is to train adults to apply technical knowledge and skills across a broad range of contexts, and undertake highly skilled or paraprofessional work. Increasing the number of people with these higher level qualifications will help NSW meet the changing workforce needs of a modern globalised economy. Furthermore, both of these qualifications provide a pathway to higher education and further learning, which is particularly important for providing flexible learning options for people who have not completed the HSC.

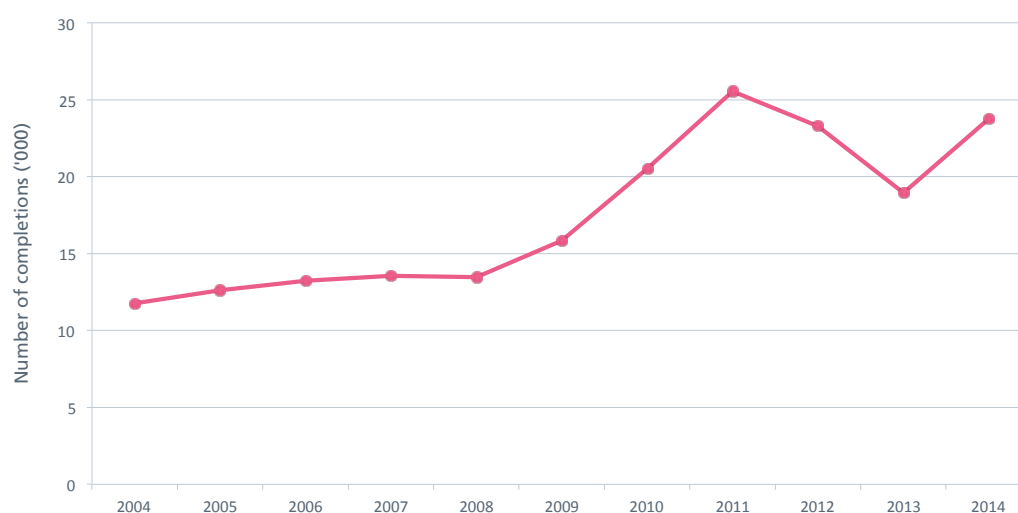
### What does the data tell us?

The number of adults completing Diplomas and Advanced Diplomas has increased since 2004, with 18,959 individuals in NSW completing one of these qualifications in 2013. Notably, completions rose sharply between 2008 and 2011, with numbers dropping back in the years following. The increase in completions could in part be linked to the commencement of the VET FEE-HELP<sup>38</sup> scheme in 2009, which sought to provide assistance to eligible students studying higher level VET qualifications to pay their tuition fees. The reasons behind the decline in completions for 2012 and 2013, and the subsequent increase in 2014 are unclear. Monitoring the number of completions will be important in determining the direction of the trend in coming years.

**Figure 4.3:**

Number of AQF Diplomas and Advanced Diplomas completions, NSW, 2004-14

Source: NCVET, National VET Provider Collection, VOCstats



## Apprenticeships and traineeships

### Why is it important?

Having an effective, efficient and adaptable system of apprenticeships and traineeships is critical to a highly skilled economy and in meeting the workforce needs of the future. In NSW, apprenticeships and traineeships are a notable feature of the VET system. They combine employment with on-the-job and formal training, leading to an occupation-specific qualification. Unlike other VET qualifications, apprentices and trainees have a contract with the employer responsible for providing on-the-job training, and receive a training wage.

Boosting apprenticeships and traineeships is one of the NSW State Priorities<sup>39</sup>, with the government aiming to create a highly-skilled workforce by giving young apprentices the opportunity to learn key new skills on major infrastructure projects. As well as increasing commencements, it's also important to ensure apprentices and trainees are completing their training.

<sup>38</sup> <http://studyassist.gov.au/sites/studyassist/help/payingmyfees/vet-fee-help/pages/vet-fee-help>

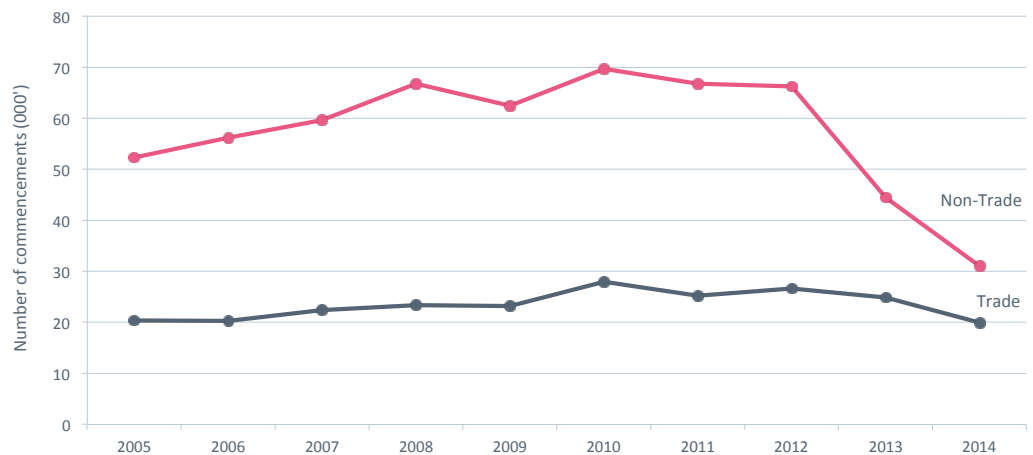
<sup>39</sup> <https://www.nsw.gov.au/making-it-happen>

### What does the data tell us?

Prior to 2011, there was steady growth in non-trade commencements before a 53.1 per cent decline between 2012 and 2014. This fall in commencements is in part due to changes in Commonwealth incentive payments for existing workers. Under the changes, commencement incentive payments for new apprentices and trainees in non-skills shortage areas were removed in 2012, and from August 2013 all existing workers who had commenced an apprenticeship or traineeship in a non-skills shortage area were no longer eligible to claim completion incentive payments. This was particularly pronounced for apprenticeships and traineeships in retail positions, food, clothing, information technology and for dental assistants. Although less pronounced, the same pattern appears to be present for trade commencements.

**Figure 4.4:**  
Number of apprenticeship and traineeship commencements, NSW, 2005-14

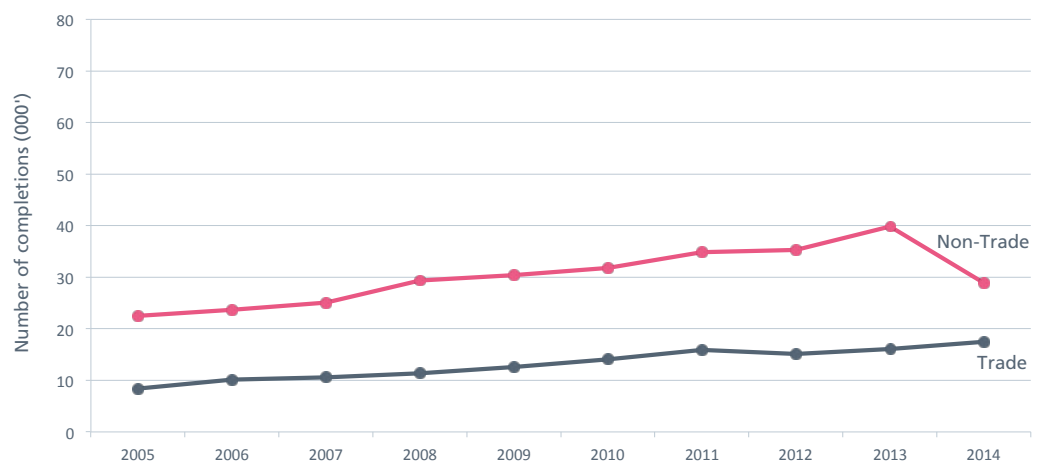
Source: NCVET  
Apprentices and trainees  
2014: Annual data tables



The number of completions for both trade and non-trade apprenticeships and traineeships has increased since 2005. However, the reduction in non-trade commencements has led to a 27.4 per cent fall in completions between 2013 and 2014 – a trend consistent with the fact that training in non-trade related areas usually takes between one and two years to complete. In contrast, trade completions have continued to increase, more than doubling since 2004. However, it should be noted that since trade apprenticeships normally take four years to complete, the associated effect from the decline in commencements is likely to be lagged.

**Figure 4.5:**  
Number of apprenticeships and traineeships completions for a Certificate III or above, NSW, 2005-14

Source: NCVET  
Apprentices and trainees  
2014: Annual data tables



**Note:** Traditionally, apprentices are trained in a skilled trade, such as electrical, plumbing, cabinet-making and automotive. However, in recent years the apprenticeship system has been broadened. Trades refers to those apprentices and trainees employed in trades occupations under major group 3 (technicians and trades workers) of ANZSCO, First edition, Revision 2.

## Young people engaged in education, training or work

### Why is it important?

The overall aim of education is to equip people with the knowledge, skills and tools to participate effectively in employment and society. For young people, that ideally means completing high school, and moving onto higher education, immediate employment, or training for a career. If school leavers do not engage in the workforce, or in further training, they are at risk of experiencing long term unemployment and its related social disadvantages. Monitoring the proportion of young people fully engaged in education, training or work provides an indication of how well students are transitioning from education to the workforce.

### What does the data tell us?

Since 2005, there has been a 3.8 percentage point decline in the proportion of young adults fully engaged in education, training or work (72.9 per cent in 2015). This downward trend has been punctuated by two peaks and subsequent corrections from 2008 to 2009, and 2012 to 2013.

**Figure 4.6:**

Proportion of 17-24 year olds fully engaged in work or study, NSW, 2006-15

Source: Australian Bureau of Statistics, Education and Work, Fully engaged through formal study and/or employment, persons not in school study aged 15–64 years, 2015

