In their words: student choice in training markets – Victorian examples

Dr Justin Brown
Australian Council for Educational Research
About the research

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This research offers new insights into the options available to individuals as they navigate an increasingly complex vocational education and training (VET) system. It explores the extent to which the consumer model of training, aimed at increasing student choice, is changing the dynamics between prospective students and registered training organisations (RTOs). The focus here is on examples from Victoria, the first state to initiate market reforms, by means of the Victorian Training Guarantee.

Importantly, this study directly represents the voice of students, asking how their choices were made as they navigated these new policy settings, and whether their choice, if one existed in the first place, was sufficiently ‘informed’. It explores the drivers influencing student behaviour and their impact on choice of provider and course in a competitive training market. The way in which choice is restricted by the training available locally and labour market needs is also considered. The student voice is contrasted with recent literature and data on measures of choice. Implications for policy and practice are explored, as are strategies for improving and broadening choice.

Key messages

- The factors that matter most to students are: training location; those offering advice and information (trusted influencers); timetables; fees and affordability; and the perceived quality of the training provider.
- Ultimately, many students have limited control over choice, given that influential factors such as location, timetables, course content and fees are ‘fixed’ — often there is ‘no or very limited’ choice.
- While trusted sources of advice and information are growing and improving, the primary concerns for prospective students relate to information accessibility and whether the information is straightforward, independent and trusted.
- The concept of student choice in VET is a worthy policy aspiration, although the potential problems associated with the concept have not been adequately defined. The choices available to students are not unlimited, and the issue of choice is currently imprecisely measured through the routinely used indicators of numbers of students participating, the reasons (often predefined in surveys) for choosing a provider, and the numbers of RTOs in the system.

While choice is a necessary component of a well-functioning competitive training market, this research suggests that segments of the VET student population lack both access to choice and control over their choice of course and RTO. The findings caution against assuming implausibly direct relationships between the choices made, statistical participation and/or the quantity of choices available, while giving little consideration to the availability of choice, how the choice was made, or the types and quality of choice available in the first place.

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Executive summary

Increasing student choice is one aim of the current market-oriented approach to vocational education and training (VET) in Australia. This research, which aims to enhance understanding of student choice and entitlements to training from the students’ perspective, has collected and analysed data from over 150 students in Victoria on how they make their VET choices and contrasted this with the existing literature on choice and VET measures of choice.

The research addresses three questions:

• What do we know about the concept of choice, as applied in the VET sector, from the existing literature and data?

• From the perspective of the student, what are the main drivers influencing their choice of provider and course?

• How can the current approaches to the measurement of and reporting on VET choice be broadened to reflect more comprehensive outcomes?

The research seeks to improve the evidence base, with a particular emphasis on the student voice, on this increasingly important dimension of the VET sector. In doing so, the research has identified a number of implications for policy, practice and research.

Key findings

What we know from the literature review and secondary data

Since 2009, the national training systems in Australia have been undergoing significant and ongoing reforms. Student choice has been positioned as the centrepiece of the reform agenda, consistent with broader national reforms to competition policy in Australia.

The concept of student choice in VET is a worthy policy aspiration, although the potential problems associated with the concept have not been identified or adequately addressed. At a system level, training choices appear to be imprecisely and inferentially measured by proxy through routinely used performance indicators (for example, numbers of students participating, reasons for choosing training and numbers of training providers).

What we learn from the primary research

While the centrepiece of recent VET reforms in Australia, unfettered choice is clearly not available to all students, particularly those in regional locations.

Indeed, as this study confirms, an array of factors influence students’ training choices.

• Training location (the ‘where’). Proximity to home is a determining factor. This is a non-choice for many people, but particularly younger people limited by transport and mature-age individuals with family commitments.

• Timing of the training program (the ‘when’): this is the need to adapt preferences and make compromises to fit the availability of offerings, often another determining factor.
Cost (the ‘how’): affordability is a key issue for students, as is their ability to make ends meet while undertaking the training. Training costs and funding eligibility are fixed by the system and the registered training organisation (RTO). When making their choice, students were interested in information on the actual total costs, not partial estimates of costs.

Training program (the ‘what’): students interviewed found the timetabling and content of programs usually to be fairly fixed and required them to adapt their preference to suit the available offerings.

Relevance of the training program (the ‘why’): this is usually related to employment prospects; however, it varies by market segment (for example, young people may take a ‘taster’ approach and be willing to try out several programs).

Registered training organisation (the ‘which’): this is often a non-choice for students in non-metropolitan locations, where there may be only limited choice.

Information (the source of advice on the ‘where’, the ‘when’, the ‘how’, the ‘which’, and the ‘what’): while information availability is expanding and improving, many students have limited control over their choices in VET anyway, as explained above.

In summary, the factors that mattered most to students in this study when making their choices were: locality; trusted influencers (that is, the messenger[s] of information and advice); timetables; fees and affordability; and the perceived quality of the training provider.

Implications for policy and practice

With the growing emphasis on training markets in VET policy in Australia, there will likely be increased interest among policy-makers, practitioners and researchers in understanding the types of decision-making and choices made by students. These findings have implications for how ‘choice’ is understood in the context of VET and, by extension, how the response is constructed and its impact is measured.

From the student’s perspective, there is a clear need for the system to communicate information that is accessible and independent (and trusted), as well as relevant and customised to prospective students. The findings suggest that this information be made relevant through segmentation of student types, while also recognising that many of these categories of students are not well equipped to navigate the complexity of the VET system. Moreover, ultimately, many students may have limited control over the training choices available in their local environment.
Introduction

Overview

This research project aligns to the national VET research priority area ‘student choice and the student experience in the current VET climate’. The overarching aim of the priority area is to enhance understanding of student choice and entitlements to training, from their perspective.

Positioned in this priority area, In their words has analysed primary data collected directly from students, as they navigate the market-oriented training system in Victoria, on the topic of VET choice. The current research seeks to improve the evidence base on this issue, with a particular emphasis on the student voice, in this increasingly important dimension of the VET sector.

The report begins with a review of what is known from the existing research literature and the data on the concept of choice in VET, with particular attention to how it has been applied in VET policy and performance measurement to date. It then presents the results from a qualitative analysis of data gathered from over 150 students, across three non-representative registered training organisations (RTOs) in Victoria in 2016–17. It concludes with a discussion of the results and their implications for policy, practice and research.

Method

The project methodology detailed in this section comprises five parts: research aims and objectives; research questions; scope and limitations; background review; and data collection and analysis.

Research aims and objectives

Building on earlier contributions (for example, Diamond et al. 2012; Anderson 2003; Maxwell, Cooper & Biggs 2000), the current research attempts to provide an updated understanding of VET choice, one that reflects the context since markets, entitlements and contestable funding were introduced in 2009. In doing so, the research seeks to illuminate some of the challenges and assumptions that drive choices, and the freedom to choose, in VET.

The main objectives guiding this research are:

- to comprehensively review the existing literature on student choice in VET in order to establish the current context in Australia and internationally
- to define the choice process in Australia’s VET system from the student’s perspective
- to identify implications for policy and practice that aim to support students to make informed choices about their training.

1 As stated in the NCVER research prospectus 2015–16.
Research questions

Three questions guide this research:

- What do we know about the concept of choice, as applied in the VET sector, from the existing literature and data?
- From the perspective of the student, what are the main drivers influencing their choice of provider and course?
- How can current approaches to the measurement of and reporting on VET choice be broadened to reflect more comprehensive outcomes?

Scope and limitations

The scope of what constitutes a ‘VET student’ in this study is defined by the following variables:

- Participation in VET: these individuals are enrolled in a nationally recognised government-subsidised VET course with an RTO (this can include VET in Schools).
- Location: these individuals reside in the state of Victoria at the time of their training.

It is important to note that the findings from the qualitative data collection are deeply contextualised to the circumstances of the individuals who participated in the focus groups, particularly in terms of their geographic location and the extent to which they have access to multiple training providers.

The scope of the work does not extend to prospective students or to graduates of prior study. This is recognised as a limitation of the study. It should also be noted that the research is directly focused on student choice of course and RTO, as distinct from employer choices in the VET system.

Background review

The background review involved conducting a comprehensive literature review to consolidate the conceptual framework for the research. The research databases consulted included VOCEDplus (NCVER); Australian Education Index (AEI); ERC (Education Research Complete); and ERIC (Education Resource Information Center).

A key element of the background mapping was to review and critically analyse public-reporting documents. This phase was informed by the publicly available documents prepared by the Victorian Government (and at other levels in Australia and internationally) as part of their routine reporting arrangements on the Victorian training system. Informal conversations were also held with officials from the Victorian Government with the aim of understanding any relevant and current policy work in development.

Data collection and analysis

The research design necessitated data collection and analysis, comprising both a quantitative and qualitative strand. A mixed-method sequential explanatory design was considered the most appropriate research approach for this study (Cresswell 2003). The rationale was that, under this methodological framework, the qualitative data and their analysis refine and explain statistical results from the quantitative strand by exploring participants’ views in more depth and from their own perspective (Rossman & Wilson 1985; Tashakkori & Teddlie 1998; Creswell 2003).
There are two key data sources used in the analysis:

- primary analysis of secondary/archival data and performance reporting (for example, NCVER’s national VET Provider Collection, NCVER’s Student Outcomes Surveys, Victorian Government training market reports, Productivity Commission Report on Government Services)

- primary data collection (for example, fieldwork conducted with over 150 students from a selection of three non-representative RTOs in Victoria).

**Quantitative strand**

These data analyses largely draw on the national VET Provider and Student Outcomes Survey collections, managed by the National Centre for Vocational Education Research (NCVER). The purpose of these analyses was to draw out themes and issues for explanation in the subsequent qualitative strand.

There are currently two relevant surveys collecting information from students on their choices in VET in Victoria: the National Student Outcomes Survey (SOS), managed by NCVER, and the RTO Performance Indicator Student Survey, managed by the Victorian Department of Education and Training. The Student Outcomes Survey has been conducted annually by NCVER since 1997. The Victorian survey was introduced in 2014. The former collects information on broader understandings of training choices and the latter builds on, and extends, this line of questioning to include specific understandings of course and RTO choices.

The RTO Performance Indicators Student Survey in Victoria currently reaches over 200,000 students annually, compared with the Victorian sample for the Student Outcomes Survey, which reaches around 7,000–9,000 respondents in Victoria, depending on the size of the survey. The Victorian survey asks respondents the following questions:

- Did you think about training with any other training organisations when planning to do this course?

- If yes, how many other training organisations, including the one you trained with, did you consider for the course?

- What was the main reason for choosing to train with the specified training organisation?

A data request was submitted to the Victorian Department of Education and Training for access to the data from this survey. Unfortunately, the department determined that these data would not be made available to this research.

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2 During 1995, 1997 and 1998 the survey was known as the Graduate Destination Survey. From 1999 onwards the survey was known as the Student Outcomes Survey.
Qualitative strand

Building on the findings in the quantitative strand, a set of semi-structured focus group questionnaires were designed for students at three different Victorian sites. The rationale for RTO selection was guided by a suite of intersecting criteria, including: scope of RTO registration; geographic location/socioeconomic catchment area(s) in which the RTO operates; the student profile in the RTO; and history of sectoral recognition.

The data collection was conducted across 2016–17. The researcher conducted scenario-based focus groups with students at three non-representative RTOs operating in Victoria. The researcher worked closely with a key contact in each RTO to conduct 11 focus groups from a mixture of industry areas and Australian Qualifications Framework (AQF) levels, with a particular focus on the community service and health sectors. This resulted in a response of 154 participants overall (table 1). The data-collection process underwent an initial piloting phase before two visits of three to five days were undertaken at each RTO site.

The three RTOs comprise:

- a private metropolitan-based RTO in the eastern suburbs, which offers training at a range of sites across Melbourne. It offers an atypically broad menu of courses for a private RTO. Focus group participants are represented from the RTO’s Certificate III in Individual Support, Certificate III in Health Services Assistance and Diploma of Community Services.

- a private RTO based in a large inner regional location, which caters to a broad cross-section of the local community, including career changers, youth and students with a disability. Focus group participants are represented from the RTO’s Certificate III in Educational Support, Certificate III in Individual Support, Certificate III in Health Services Assistance (VCAL) and Certificate I Work Education.

- a TAFE (technical and further education) institute located in an outer regional location, which offers qualifications in most industry areas across a network of regional campuses. Focus group participants are represented from the RTO’s Certificate IV in Plumbing and Services, Diploma of Nursing, Diploma of Community Services and Victorian Certificate of Applied Learning (VCAL; Workready).
<table>
<thead>
<tr>
<th>RTO A (private, metro Melbourne)</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate III in Individual Support</td>
<td>10</td>
</tr>
<tr>
<td>Certificate III in Health Services Assistance</td>
<td>10</td>
</tr>
<tr>
<td>Diploma of Community Services</td>
<td>7</td>
</tr>
<tr>
<td>RTO B (private, inner regional)</td>
<td>Number of participants</td>
</tr>
<tr>
<td>Certificate III in Individual Support</td>
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</tr>
<tr>
<td>Certificate III in Educational Support</td>
<td>15</td>
</tr>
<tr>
<td>Certificate III in Health Services Assistance (VCAL)</td>
<td>20</td>
</tr>
<tr>
<td>Certificate I in Work Education</td>
<td>14</td>
</tr>
<tr>
<td>RTO C (TAFE, outer regional)</td>
<td>Number of participants</td>
</tr>
<tr>
<td>Certificate IV in Plumbing and Services</td>
<td>14</td>
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<tr>
<td>Diploma of Nursing</td>
<td>27</td>
</tr>
<tr>
<td>Diploma of Community Services</td>
<td>14</td>
</tr>
<tr>
<td>VCAL (Workready)</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
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The final step was to conduct a thematic analysis to explain and elaborate on the findings of the quantitative strand.

**Report structure**

The report is structured in three parts:

- a review of what is known from the existing research literature and data about the concept of choice in VET, with particular attention to how it has been applied in VET policy and performance measurement to date
- a qualitative analysis of focus group data collected from over 150 students across three non-representative RTOs in Victoria in 2016–17
- a discussion of the results and their implications for policy, practice and research, followed by a set of concluding remarks.
What do we know about student choice in VET markets?

This section addresses the first research question: *What do we know about the concept of choice, as applied in the VET sector, from the existing literature and data?*

Policy context

Since 2009, the Victorian and national training systems in Australia have been undergoing significant and ongoing reform. The Victorian Training Guarantee (2009—current); the Refocusing Vocational Training in Victoria reforms (2012–14); the Council of Australian Governments (COAG) National Partnerships Agreement on Skills Reform (2012–15) and the Victorian reviews of quality and funding (Mackenzie & Coulson 2015; Deloitte Touche Tohmatsu 2015) have each sought to position student choice as the centrepiece of VET reform, consistent with broader national reforms to competition policy in Australia.³

It is important to note that efforts to increase choice in training systems in Australia had been discussed at a policy level for a number of years prior to the latest wave of reforms. For example, the original ‘user choice’ policies affecting apprentices and employers were developed in the 1990s (Anderson 2003; Selby Smith & Ferrier 2001). However, it has only been since 2008 that efforts to increase choice and competition have extended more broadly, through a student entitlement model in various Australian jurisdictions (FitzGerald & Noonan 2014).

The VET market in Australia has, by way of policy changes over the last two decades, ‘been incrementally and increasingly opened up to competition’ (Korbel & Misko 2016, p.7). Schubert, Bentley and Goedegebuure (2016, p.3) argued that ‘an underlying principle for both the State and Federal governments in creating an open market has been to enhance consumer choice and ensure value for money for governments’. At a policy level, the characterisation of ‘choice’ within VET, as argued Anderson (2003), has been set against an assumption of ‘empowered consumers in the VET marketplace, individuals [who] are purportedly more able to shop around and choose the training that best meets their needs and preferences’ (p.1).

The phased introduction of the Victorian Training Guarantee (VTG) from 1 July 2009 comprised a core set of reform elements: the introduction of a market design to increase competition and choice; a student entitlement for eligible students to a government-subsidised training place; and contestable funding, whereby public funds for training were released so that all providers — public and private — could compete based on the number of students they can enrol.

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³ See, for example, Australian Government (2015) and Productivity Commission (2016a).
While introduced in Victoria from 2009⁴, these policy developments coalesced at a national level in the form of the National Partnership Agreement on Skills Reform (NPASR), agreed to by COAG in 2012. The agreement described the ‘facilitation of student choice’, whereby jurisdictions were to make efforts to ensure that potential students had access to high-quality information about courses and RTOs to enable them to make ‘informed choices about training’ (Bowman, McKenna & Griffin 2016, p.16). The national partnership agreement also acknowledged issues relating to control over what training choices are available to sub-populations of students, stating that:

An ‘entitlement’ does not imply that all courses should be available in all geographic locations. Where necessary, students may need to travel or re-locate within the state to take up a particular course, or study on-line or through a delivery mode other than face-to-face. (COAG 2012, p.24)

More than five years after the introduction of the Victorian Training Guarantee, the Mackenzie and Coulson review of VET funding in Victoria stated that ‘at the heart of the VET system, both as currently designed and under the Review’s future model, is the concept of student choice’ (2015, p.104). The review described how (p.62):

the design of a demand-driven system was premised on maximising choice of training course and provider. While the Review believes there was excessive reliance on the market to drive quality and meet industry need, it will be important that any new funding approach keep competition and choice as central design principles.

And:

One of the biggest problems with the system as it currently operates is that students are making too many bad choices — too many are training in courses that do not lead to the job outcomes they want, and too many of them are going to training providers that are not providing quality training (p.103).

There are a number of developments underway that provide further context. The most recent VET policy of the Victorian Government, Skills First, implemented from January 2017, does not include a single instance of the word ‘choice’. Instead, the emphasis appears to shift towards ensuring a good match between students and RTOs, as well as students having ‘access to the right training for jobs today and in the future’ (Victorian Department of Education and Training 2017a, p.5). The Victorian Department of Education and Training website currently states that: ‘You can choose to study at a TAFE, a university offering vocational training, a Learn Local or a private training provider ... You should shop around to find a course and price that is right for you’.

In addition, in response to recent policy developments at national and state levels, the Australian Council for Private Education and Training (ACPET), the peak body for private training organisations in Australia, has introduced a public campaign titled ‘Student choice counts’. Launched in May 2016, the campaign website includes examples of individuals who have benefited from private training.

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⁴ Other jurisdictions have since introduced similar models: 2012, South Australia – Skills for All; 2013, Queensland – Great skills, Real opportunities; 2014, Western Australia – Future Skills; 2014, Tasmania; 2014, Northern Territory; 2015, Australian Capital Territory; 2015, NSW – Smart and Skilled.
What we know from existing literature and data

This literature review focuses on three dimensions of the research problem: the application of rational choice theory to VET; what is known about the decision-making process of VET students; and what is known about information on the training market.

Rational choice theory

Rational choice models are based on assumptions that decision-makers are equipped to operate with complete knowledge and with unlimited capacity to evaluate risks and costs (Diamond et al. 2012, p.6). Rational choice makers, seeking to maximise their own utility, participate in a process of ‘determining what options are available and then choosing the most preferred one according to some consistent criterion’ (Levin & Milgrom 2004, p.1).

Therefore, when applied to education and training, rational choice theory suggests that the rational student may decide whether or not to undertake a course of study on the basis of an informed comparison between the costs and the benefits of participating in, and/or graduating from, a course (Leung et al. 2013; Marginson 2004). It would then, in principle, be possible to conduct choice modelling studies to measure the relative value of the attributes of a product or service (for example, cost, location, duration of a training program) and the rational decisions that were informed by assigning values to the attributes and making trade-offs between them. For example, the concept of VET course choice has previously been approached from the position that:

The decision to enrol in VET (or in a particular VET course) can be thought of as a human capital investment decision ... where the prospective student weighs up the (present value of the) expected benefits of studying the course (e.g. higher expected future earnings, enjoyment of the course as a consumption good) and the expected costs of studying the course (e.g. course fees, expected earnings foregone during study, mental strain). (Leung et al. 2013, pp.18–19)

In contrast to traditional theoretical constructs, behavioural economics studies the effects of psychological, social, cognitive, and emotional factors on economic choices. It proposes an alternative model, that of prospect theory, which offers a modification to the ideal model of a purely rational decision-maker (Kahneman 2012; Kahneman & Tversky 1979; Thaler & Sunstein, 2008; Levin & Milgrom 2004). It does this by recognising that our capacity for rationality is bounded and that our decision-making is also characterised by non-rational behaviour (Diamond et al. 2012, p.6).

As Anderson (2003, p.2) argued, underlying the application of rational choice models to VET policy is ‘an implicit assumption that choice-making in VET is an unproblematic process in which individuals engage freely, actively and rationally’. Economist Phillip Toner has argued that student entitlement in VET is based on the myth that all VET students are ‘all-knowing consumers with perfect information processing capabilities’ (Toner cited in Mitchell 2012, p.17). Furthermore, it can be difficult, Leahy (2016, p.1) argued:

  to assess the value of a qualification or course until after graduation. This type of evaluation is particularly difficult in the VET sector where there are so many providers, many of which are relatively new and without an established profile or reputation.
Similarly, the recent review of VET funding in Victoria summarised the relationship that people may have with VET, arguing that:

VET is an ‘experience good’ — most learners are not well placed to make judgements about prices relative to value until they have undertaken a course ... In the absence of experience, students have almost no independent information on which to base decisions particularly if they are young, have little experience in their intended occupation, or have no basis upon which they assess value for money. (Mackenzie & Coulson 2015, p.38)

Toner (2012) has explained that ‘people do their best to make rational decisions, but they can be very easily persuaded, especially young people, and especially disadvantaged young people, when it comes to making career choices’ (cited in Mitchell 2012, p.41). Some years ago, Maxwell, Cooper and Biggs (2000, p.83) argued that specific factors mean that young people’s training choices may not necessarily lead directly to a specified career choice:

Training programs often provide the first real opportunity for some people to discover what their own capabilities are and how these might fit the demands of the job market. However, these understandings do not develop suddenly but are informed by experiences over lengthy periods of time, reaching back into their early school years.

Choices can also be limited by structural factors beyond the control of the student, such as location or age. For example, the Victorian Essential Services Commission argued that 'students undertaking VCAL and VET in schools are unlikely to have a broad choice about the units that are undertaken and may not make decisions with future employment and training needs in mind' (2011, p.59).

Use of VET administrative and survey data to measure student choice

A number of studies have been conducted to investigate the effects of the Victorian Training Guarantee (Polidano, van de Ven & Voitchovsky 2017; McVicar & Polidano 2015; ACIL Allen Consulting 2015;; Leung et al. 2013, 2014). Using statistical modelling techniques, these studies identified an array of positive benefits from participation and employment outcomes following the introduction of the training guarantee in Victoria.

The Victorian Government publishes reports on the performance of the Victorian training system. Using data from administrative and survey sources, these reports have included a number of references to student choice and decision-making. The Productivity Commission also includes a section on VET performance indicators as part of its annual Report on Government Services (ROGS). The performance data used in such reporting generally focus on three of the ‘big picture’ measures of student choice: trends in participation; numbers of providers; and the main reasons for choosing VET. By critiquing some of the more commonly and routinely reported measures, it is possible to identify their limitations for investigating the research problem.

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5 The ACIL Allen review of the National Partnership Agreement on Skills Reform (ACIL Allen Consulting 2015) used a range of innovative measures to describe trends in student choice over the life of the agreement, including: the number of courses in which there were subsidised enrolments; the number of RTOs – course combinations in which there were subsidised enrolments; change in market concentration (the extent to which enrolments may be concentrated in many or few providers using the Herfindahl Index).
Participation in VET among the resident population

A fundamental performance measure used in VET reporting is the number of students participating in the VET training system and/or the level of training activity taking place. These can be expressed either as a count of students or enrolments, the most common approach, or by expressing the number of VET students as a share of the resident population (a VET participation rate). To illustrate the latter, figure 1 shows the share of the 15 to 64-year-old resident population who were participating in government-subsidised VET, as reported in the most recent state and national performance reporting.

**Figure 1 Participation rate in government-subsidised VET, 15 to 64-year-olds, Victoria, 2009–15**

![Graph showing participation rates from 2009 to 2015.]


With the introduction of the Victorian Training Guarantee in 2009, the overall VET participation rate in Victoria increased by around five percentage points, to a peak of 13% in 2012, before declining sharply in 2015. Trends such as these have been routinely reported, both in the research literature and in government performance reporting on the VET system, as a proxy measure for student choice in order to demonstrate that more people are choosing to undertake VET.

On a surface level, this may be true, as the rate of VET participation did increase considerably between 2009 and 2012. It is unclear, however, what insights these administrative data and measures offer into the training options available and the choices made; that is, they offer little understanding of the quality of the choices available, how the choices were made and the array of options available in the first place.
Trends in VET participation by provider type

Administrative data are also used to discern the trends in the type of provider chosen by students over time. Figure 2 shows the considerable shifts in public–private enrolment since 2009–10. The trends in the share of subject enrolments by provider type suggest that the Victorian Training Guarantee led to a larger share of training occurring in the private sector among older students (for example, existing workers, career changers) compared with younger students (for example, apprentices, school leavers, school students). Again, what we do not learn from these administrative enrolment data is the influence of the underlying causes driving these patterns and trends, from a student’s perspective.

Figure 2 Proportion of government-subsidised VET subject enrolments, Victoria, 2005–15

Note: Proportions do not equal 100% as data for adult and community education (ACE) provision are excluded.
Source: NCVER (2016).

Number of VET providers

The lack of robust evidence has long been an issue for the measurement of choice in the training market more generally. Over 15 years ago, Dumbrell (2000, p.22) argued that:

> it would be reasonable to assume that measuring the degree to which choice and diversity have increased would be an important outcome measure. As yet there appears to be no measure undertaking this, nor is there a body of research on the issue. Perhaps the closest the system comes to addressing this measure is reporting on the number of registered training providers.

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6 The training market reports have previously stated that ‘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’ (Victorian Department of Education and Early Childhood Education 2015, p.83).
Since the Victorian and national training reforms were introduced, counts of RTOs, both overall and by region, have been reported on a number of occasions as a measure of VET student choice. Table 2 provides a selection of extracts from the Victorian training market reports that make reference to ‘the number of providers’ to infer a link with improved student choice.

Table 2 Extracts from Victorian training market reports

<table>
<thead>
<tr>
<th>Source</th>
<th>Text</th>
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<tr>
<td>2011, Q4 (p.49)</td>
<td>‘The introduction of the Victorian Training Guarantee and contestable funding arrangements has led to a significant number of providers entering the government funded VET market, improving access and choice for students and employers.’</td>
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<tr>
<td>2011, Q4 (p.67)</td>
<td>‘Students in regional Victoria now have more choice in where they study due to increasing numbers of providers delivering government funded training and, in the majority of regions, student participation in VET is increasing.’</td>
</tr>
<tr>
<td>2013, Q4 (p.146)</td>
<td>‘All regions have experienced an increase in the number of providers delivering government subsidised training into the region since the introduction of the VTG. This increase has been driven by additional private RTOs entering the government subsidised system, improving access for students as well as providing more choice in where they study.’</td>
</tr>
<tr>
<td>2013, Q4 (p.149)</td>
<td>‘Greater choice of training provider is evident in each of Victoria’s regions, as the number of providers offering government subsidised training has increased since the implementation of training market reforms in 2008.’</td>
</tr>
</tbody>
</table>


The number of RTOs contracted as providers of Victorian Government-subsidised training to new students in 2017 under the Skills First program is currently around 360, with the list of RTOs reported publicly on the Victorian Department of Education and Training website. Currently, participation and outcomes data on these RTOs are not reported publicly, meaning that there remain blind spots for those without access to this level of information, including prospective VET students.

**Main reasons for choosing VET**

In their landmark report titled *How people choose vocational education and training programs*, Maxwell, Cooper and Biggs (2000, p.81) found that the factors influencing choice of a particular VET institution over some other institution, are: its course offerings; convenience factors, such as proximity to home and course timetable; program affordability; opportunity for practical experiences; quality factors such as reputation of the institution and its qualifications; and institutional ambience, especially whether it is friendly and caring.

More recently, the review of VET funding in Victoria argued that ‘the biggest factors influencing student choice when considering training relate to employment outcomes, such as getting a new or better job, or developing the skills needed by their employer’ (Mackenzie & Coulson 2015, p.62). With the emergence of more competitive training systems in Australia, RTO advertising and promotion of courses has also been found to be an influence on student choice (Australian Skills Quality Authority 2015).

The stated reasons for choosing training, as collected through surveys of VET graduates, offer valuable insights into the decision-making processes of prospective VET students. However, these data are gathered well after the decision has been made, while opportunities to analyse these data by sub-groups are limited by their sample size. At a state level, the RTO Performance Indicators Student Survey in Victoria currently reaches over 200 000 students annually, compared with the relatively small Victorian sample.
available in the National Student Outcomes Survey. Where the national survey asks *What were your main reasons for choosing training?*, the Victorian survey asks *What was the main reason for choosing to train with the specified training organisation?* As noted, no data were forthcoming to this project from the Victorian survey.

The Student Outcomes Survey has consistently shown that over 80% of VET graduates in Victoria believe that their main reasons for undertaking training were for various types of employment-related reasons (table 3). However, since 2009, these data show a decline of over 10 percentage points in the share of VET graduates stating that their training choice occurred as ‘a requirement of my job’ or to ‘gain extra skills for current job’. Conversely, a larger share of students stated that their choice arose from a need to ‘get a job’ in 2015—16 than had previously been the case.

While useful, it is unclear from these data what is driving these changes and the extent to which they reflect changes in the VET system and/or broader economic factors; nor do they provide an understanding of what opportunities, other than VET, were available to choose from at a local level (for example, higher education, part-time employment). The Victorian Government’s On Track destination survey provides more detailed information in this regard, albeit limited to school leavers.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>‘What were your main reasons for choosing training’, Victoria, VET graduates, 2009–16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment-related</td>
<td>83.9</td>
</tr>
<tr>
<td>Get a job</td>
<td>22.2</td>
</tr>
<tr>
<td>Develop or start my own business</td>
<td>5.2</td>
</tr>
<tr>
<td>Try for a different career</td>
<td>10.0</td>
</tr>
<tr>
<td>Get a better job or promotion</td>
<td>6.5</td>
</tr>
<tr>
<td>It was a requirement of my job</td>
<td>20.5</td>
</tr>
<tr>
<td>Gain extra skills for current job</td>
<td>19.5</td>
</tr>
<tr>
<td>Further study: to get into another course of study</td>
<td>4.4</td>
</tr>
<tr>
<td>Personal development</td>
<td>11.7</td>
</tr>
</tbody>
</table>

95% Confidence interval (+/-)

| Employment-related | 0.9 | 1.2 | 1.0 | 1.0 |
| Get a job | 1.1 | 1.5 | 1.2 | 1.3 |
| Develop or start my own business | 0.6 | 0.6 | 0.6 | 0.6 |
| Try for a different career | 0.7 | 0.9 | 0.8 | 0.9 |
| Get a better job or promotion | 0.6 | 0.8 | 0.6 | 0.6 |
| It was a requirement of my job | 1.1 | 1.2 | 1.0 | 0.9 |
| Gain extra skills for current job | 1.0 | 1.3 | 1.1 | 1.0 |
| Further study: to get into another course of study | 0.5 | 0.6 | 0.4 | 0.6 |
| Personal development | 0.8 | 1.1 | 1.0 | 0.8 |

Information on the training market

A number of government reviews have recommended improvements to the quality, content and accessibility of information relating to the training system in Victoria (Deloitte Touche Tomatsu 2015; Mackenzie & Coulson 2015; Victorian Essential Services Commission 2011; Victorian Office of Training and Tertiary Education 2006). The VET funding review argued that ‘there is no silver bullet that will help students make better training choices’ (Mackenzie & Coulson 2015, p.14), concluding that:

as long as student choice remains at the centre of the VET system, it will be essential that students are provided a reasonable amount of assistance to make these choices. Without this assistance, the system is unlikely to work as well as it could.

(Mackenzie & Coulson 2015, p.109)

However, Bowman and McKenna (2016, p.40) pointed out that the evidence on the relationship between this information and student choice remains weak:

While it makes sense to provide quality information for consumers, little is known about how this information may be used and whether or not it is driving student choice. It is likely that student choice is driven by a number of factors, possibly supplemented by the use of the available information.

The Business Council of Australia (BCA), in its submission to the Mackenzie and Coulson review, argued that ‘the biggest weakness of the Victorian VET system is the lack of market information available to support student choice’ (Business Council of Australia cited in Mackenzie & Coulson 2015, p.12). The Victorian review of VET quality similarly argued that ‘the structure of the VET market, which has a large number of providers and a diverse range of qualifications ... can lead to overwhelming choice’ (Deloitte Touche Tomatsu 2015, p.6). The Deloitte Touche Tomatsu review further argued that ‘an effective training market is only possible when the consumers in that market (students and employers) are fully empowered to make appropriate choices’ (2015, p.10). To address this issue, the review recommended that the government:

inform consumer choice by making publicly available consistent, accessible and comparable performance information about RTOs including performance against quality indicators, employment outcomes, completion rates, consumer satisfaction results and completed and agreed audit results (p.14).

In its response to the review of VET funding (Mackenzie & Coulson 2015), the Victorian Government acknowledged that ‘currently, information is fragmented and spread across multiple websites, and support for students and employers in making training choices is limited, increasing the risk of students falling prey to unscrupulous providers’ (Victorian Department of Education and Training 2015, p.10). At a national level, the review of the National Partnership Agreement on Skills Reform concluded that ‘the limited availability of information on quality, price, and entitlement limitations is sufficiently prominent to mean that the investments to date have not achieved the level of transparency deemed desirable’ (ACIL Allen Consulting 2015, p.34). In summing up the issues, the Victorian review of VET fees and funding (Victorian Essential Services Commission, 2011) argued that:

it seems paradoxical that students and parents are currently able to access important information on the characteristics and performance of all Victorian Government schools (where limited choice exists) across a range of consistent domains, but are not able to do so in relation to approved providers under the VTG (where there is extensive choice (p.128)).
Research has questioned not just the accessibility, quality and content of the available information but the capacity of prospective students to interpret it in a meaningful way. For example, Maxwell, Cooper and Biggs (2000, p.81) argued that prospective students often have ‘poor research skills and make their decisions on limited information’, positing that information in itself is insufficient.

**Current information and resources**

At present, the system provides training information websites, RTO checklists, funding eligibility tools and so on. The Victorian Skills Gateway, myskills.gov.au, training.gov.au and myfuture.edu.au are current examples of mechanisms through which information is provided to inform student choices. The functionality of these websites, at a surface level, appears analogous to those developed by consumer advocate groups such as Choice. Such a tool allows users to filter a database of regularly updated information based on their own preferences (for example, features, costs, ratings) to compare products and/or services against common criteria.

At state and national levels, governments are increasingly taking steps to provide prospective VET students with additional information to inform their training choices. The Victorian Department of Education and Training recently introduced a ‘provider location comparison tool’ on the Victorian Skills Gateway website for comparing courses, whereby students: (1) Search for a course; (2) Select courses to compare; and (3) Choose locations where the courses are offered. This tool allows students to compare courses based on:

- whether government-subsidised training is available
- whether the course meets the requirements of the Australian Qualifications Framework (AQF)
- what the entry requirements are
- what the units in the course are
- the range of fees.

Table 4 shows two of the current ‘consumer checklists’ and information that prospective students should consider when considering their training choices. To date, these ‘RTO checklists’, as summarised in table 4, have been designed to help students to make choices across five broad areas: costs; quality; pre-enrolment processes; the VET program; and the benefits of enrolment and completion. While necessary, the findings presented here suggest that such consumer checklist tools can be highly unintuitive and onerous for lay users, particularly young people who may have had little experience comparing service providers of any kind.

These market and careers information websites appear to have become more sophisticated in functionality over the duration of this research project. However, it is less clear whether the data housed within these tools, and their amenability for comparisons across providers and courses, have improved in terms of content, quality and accessibility, in line with improvements in functionality.
The Victorian DET 'RTO research checklist' includes the following questions:

1. What are the tuition fees?
2. What are the service/amenity fees?
3. What are the material fees?
4. Is the training government-subsidised?
5. How long has the RTO delivered the course?
6. Who is/are the trainer(s)?
7. What are their credentials and experience?
8. What are the employment outcomes?
9. Do I need to bring my own laptop?
10. Are facilities in good condition?
11. Is there disability access?
12. Are there open days?
13. How long is the course?
14. What is the timetable?
15. What are the attendance requirements?
16. How many students per class?
17. How much homework will there be?
18. Are there any practical placements or work-experience elements?
19. Is there recognition of prior learning?
20. Does the course lead to a nationally recognised qualification at the end of the course?
21. Does the RTO offer part-time/weekend/online study?
22. Are there flexible arrangements for rural students?

ASQA suggests the following actions pre-enrolment:

1. Confirm the provider is registered to deliver the qualification or course you are interested in.
2. If you are seeking a nationally recognised qualification, confirm that the training program will lead to a qualification.
3. If you are enrolling in a course to meet the training requirements to apply for an occupational licence, confirm that it is the right course for you to do.
4. Ask about the provider’s membership of industry bodies or associations.
5. Confirm the knowledge and skills you can expect to gain from the course, and what job outcomes are likely to be available to you (Note 1).
6. Shop around for a course and training or education provider that meets your needs (Note 2).
7. Make sure you ask the training or education provider:
   a. What is the total cost of the training, including any additional fees …
   b. What is the refund policy?
8. Obtain a copy of the refund policy and make sure you understand the details (Note 3).
9. If a simulated environment is to be used to replicate a workplace, consider how realistic the environment is (Note 4).
10. Ask for feedback from past learners (Note 5).
11. Ask about online services. If the training or education provider offers some or all of the program online, make sure you ask the following questions (Note 6).
12. Read the enrolment agreement/contract (Note 7).
13. Be cautious about paying large sums of money up-front. Ensure the training or education provider is the right one for you and that it is registered before you make an up-front payment, or commit to paying money. Ask for a receipt when you make a payment, check that it is correct and keep it in a safe place.

ASQA follow-up questions

Note 1: a. Which units of competency or modules will you attain from the training? b. What jobs may the training lead to? c. What are the job prospects on completion of the training? d. Are there other requirements — in addition to the training — to improve your chances of getting a job in the area you are interested in?

Note 2: Make sure you ask the training or education provider: a. What is the total cost of the training; including any additional fees on top of course fees? b. What is the refund policy?

Note 3: a. What resources are provided as part of the course fee? b. What resources, if any, do you have to provide yourself? c. What is the duration of the course? d. What are the minimum/expected hours of attendance per week? e. How many hours are you expected to spend on learning and assessment activities outside formal attendance time? f. How and when will you be assessed? g. Will training and/or assessment be undertaken in a real workplace?

Note 4: a. If work placement is to be included as part of the course, will the training provider find you a workplace or will you be expected to find one yourself? b. What support services are provided? For example, support for those with language, literacy or numeracy difficulties.

Note 5: Feedback on the quality of training or education and, if it is your goal to find appropriate employment or further your career, whether the program assisted them in their search for employment or furthering their career.

Note 6: a. What are the technological requirements? b. What computer and software will be needed? c. What download speeds are required? d. What level of computer literacy is required of learners? e. Is there helpdesk support for technical issues? f. Is there trainer support for the course? g. Is there a forum? h. How will the assessment be conducted? i. Are there any additional fees?

Note 7: a. Read the enrolment agreement/contract carefully before you sign anything or pay any money. b. Ask the training or education provider to explain anything you are unsure of. Discuss the conditions of enrolment with a friend or colleague if you are not sure what they mean. c. Ensure you understand and agree with any cancellation and refund conditions and ongoing fees.

Source: Victorian Department of Education and Training (2017b); Australian Skills Quality Authority (2017).
Summary

In summing up what is known about student choice in VET, there have clearly been a number of policy efforts to introduce and operationalise rational choice theory both prior to and since the introduction of the latest wave of training reforms in Victoria and across the national training system. The evidence base on how training choices are made and what constitutes ‘good choices’ remains weak. However, these efforts are ongoing, as evidenced by the amount of work occurring at various levels of the system at present.

The next section presents an analysis of the focus group data collected from enrolled VET students to provide examples of their experiences with choice in the Victorian training market.
What do VET students say about choice?

This section addresses the second research question: *From the perspective of the student, what are the main drivers influencing their choice of provider and course?*

A set of influential factors were commonly raised by students who participated in this research (the ‘who’). These factors included: training location (the ‘where’); timing of the training program (the ‘when’); cost and funding eligibility (the ‘how’); the training program itself (the ‘what’); the perceived quality and relevance of the training program (the ‘why’); and the perceived quality of the RTO (the ‘which’). These factors frame the presentation of results in this section.

It is necessary to reiterate that these findings are deeply contextualised to the circumstances of the individuals who participated in the focus groups, particularly in terms of their geographic location and the extent to which they have access to multiple training providers.

Training location (the ‘where’)

The proximity of a campus/training site to a student’s home appeared to be a fundamental issue, as it often removes the freedom to choose one option over another. This can be most acutely experienced by regional students and young people reliant on public transport and/or without a driver’s licence. Students in metropolitan Melbourne appeared less concerned than their regional counterparts about training location, noting that they could access a number of training providers in Melbourne and were willing to travel further afield within Melbourne if they saw a benefit in doing so.

Travel distance

Students in inner and outer regional areas raised the issues associated with a lack of providers within travelable distance who matched their interests and preferences, particularly those in the outer regional area. For example, one student in the Diploma of Nursing at the outer regional TAFE explained:

> this is the only Diploma of Nursing around ... so you’ve got no choice unless you want to go to [University X] and do the bachelor but I chose the diploma over the bachelor because the diploma’s two years [in duration].

The mobility issue appeared to be more acutely felt for mature-age students and those returning to study. One student explained that ‘the older you are the harder it is to uproot yourself and move to a different location to study’. A community services student explained that ‘it’s just not possible to relocate your life and go up there [to study at a different provider]’. Students spoke about a ‘trade-off’ that occurred in their decision-making: consideration was given to whether the extra travel would be ‘worth it’ in the longer-term.
Local choice

Students, particularly those located in regional areas, spoke about the lack of providers from which they could choose. They explained that ‘there’s not many providers around here are there?’ Another responded that ‘there’s three’ [RTOs to choose from]. One Diploma of Nursing student responded to the question of how easy it was to choose an RTO by stating it was ‘easy, because there’s only one to choose from’. Another agreed, stating that ‘if there were more options it would be harder but because it’s a small town there aren’t many options’. A Diploma of Community Services student explained that ‘there isn’t really that many options in regional areas anyway so there’s nothing else you can go and do in the meantime’. Another student agreed that ‘there wasn’t a lot in the way of selections to be going to’.

Not so much in [this region]. I think there were maybe like two or three [RTOs] max. [University X] doesn’t have anything which surprised me actually. Yeah and the [University Y] I don’t think had anything.

The students were asked to reflect on how much choice they felt they had over their ultimate choice of course and RTO. A student in the Diploma of Community Services in metropolitan Melbourne stated that ‘when I first looked into it my choices were limited: There weren’t very many around that I could find’. In the outer regional location, the following exchange among Diploma of Nursing students appears to highlight some of the challenges facing students outside metropolitan areas:

Student A: This was the only choice [in this geographic area]. I didn’t feel like there was any choice.

Student B: With [University X] they’re not running it until next year and theirs is like twelve months part-time. With [a private RTO] I don’t know when they’re running theirs but there isn’t really much choice.

Student A: No, [the university] had an information session but they didn’t get the numbers to run it. I don’t believe it started.

Student B: Yeah, so it was the only choice.

Timing of the training program (the ‘when’)

For many students, the timing of the program is another factor determining how their choice is ultimately made. It became apparent that some students needed to adapt their preferences and make certain compromises to fit with the time the offerings are available. For example, a community services student explained that, with more choice ‘I probably would have taken up the part-time option if it was available’. ‘Yeah, I would too’, said another. In addition to adapting their intrinsic preferences for what, how and when they would like to study, there also appears to be evidence that students make choices that do not, on the surface, appear rational in their decision-making — or in their best interests. For example, one respondent stated that:

Personally, people I know who graduated from this course actually pretty much warned me not to enrol [with their current RTO] — [they said] you’re probably better just going straight to uni.

Students discussed the ‘convenience factor’ associated with the timetabling and scheduling of training. Students sought to find a match between their preferences and what was on
offer in terms of start/completion dates, days of week, hours of day, block or ongoing work placement and so on. Age appeared to be a factor, with the scheduling of classes and flexibility of delivery considered to be a more significant issue among mature students and career changers, due to other life commitments.

With the likes of [private RTO X] you did your placement as well as you went to school so that allowed for one day not having to attend whereas [at this RTO] we do our placement in one big block so for me that was better.

The training program itself (the ‘what’)

Weighed against the factors of location and timing is the content of the course itself. When it came to filtering training options within a travelable distance (or through online programs), the influencing factors appear to include the scheduling of classes (timetabling); course duration; the breadth and depth of what is learnt and how it is assessed; the mode of delivery (face-to-face or online); the study/work load; the arrangement of work placements; and the entry requirements.

Younger students’ interests and needs appear to focus more on testing, tasting and trying a few of the different options that met their interests. As most received advice through their school and other agencies, younger students appeared less concerned than older students about the details and practicalities of the actual course and more concerned with what it could offer them compared with academic alternatives (for example, a VET certificate, or exposure to work experience). For some young students, VET was seen as a stepping stone to completing their Victorian Certificate of Education or Victorian Certificate of Applied Learning and establishing a pathway into university or to more job opportunities.

A key factor influencing the choice of an RTO can include the number of nominal hours expected for course completion, as well as the number of contact hours and work placement hours required. For one student in the Certificate III in Educational Support, the issue of duration, and the length of the work placement within the overall course duration, was critical when comparing the differences between the certificate III and IV.

I was weighing up the [certificate] III and IV and I was definitely looking at the employability aspect of it at the end. The fact that this course was only six months [in duration] actually kind of scared me. Like all the other courses [at other RTOs] are 12 months [so] why is this one only six months? Like what are you missing out on? But [the certificate III] had the same amount of placement hours as they did for a 12 month cert. IV and I thought that [work placement] was going to be a really important part of the course. So that was a big influencing factor.

The cost (the ‘how’)

The issue of cost was primarily discussed from the perspective of eligibility and affordability. Prior to enrolling, students were concerned with whether they were eligible for a government subsidy (Victorian Training Guarantee) or loans (VET FEE-HELP). Their concerns included the additional cost of equipment, materials fees and other fees associated with completing the course. Students also spoke about the opportunity cost of the course in relation to other providers or via an alternative mode, and whether the cost of the course was worth the investment of time and money.
When comparing the cost of the Certificate III in Educational Support, one student found that ‘the course isn’t that much cheaper online [and] when you’re weighing up everything else there’s a lot of dodgy online places’. Students also discussed whether they could make ends meet while undertaking training, including the extent to which their costs could be offset by income support such as Austudy.

A Diploma of Community Services student stated that ‘cost is an influence, particularly when you’re already working full-time and you’ve had to reduce hours and being a regional area there really aren’t many options’. For students enrolled in the diploma-level courses, the availability of a VET FEE-HELP income-contingent loan to defer the cost of their studies was considered extremely important to their being able to access training. One student commented that ‘I wouldn’t have been able to afford it at the full price. It was just not an option. It [the flexible payment arrangements] makes all the difference’. A community services student stated that the availability of VET FEE-HELP was a critical factor enabling her to enrol in her diploma.

VET FEE-HELP was really important for me. I had already done one diploma so I’m not really entitled but this year I was exempted so that’s the only reason why I’m sitting here.

A Certificate III in Educational Support student explained that the option to take up a flexible payment plan for fees was a highly influential factor.

I get to pay [fees] fortnightly. I didn’t have the money to put up front and that was another thing that I liked [about my current RTO]. There was a payment upfront but I didn’t have the outlay to do that … I wouldn’t have been able to afford the upfront fees if it wasn’t for that fortnightly payment.

While most students were aware of Austudy and other forms of income support, only a minority were receiving any benefits that directly related to their studies. A community services student explained that ‘you can go to Centrelink and get like student support but that’s like trying to get blood out of a stone’. One Diploma of Nursing student, currently receiving Austudy, explained that she found it:

really complicated to explain the study load issue to Centrelink … It would have been good if there was some kind of database where you can plug in your course and can see what you’re eligible for.

The perceived quality of the RTO (the ‘which’)

In more general terms, a welcoming, supportive and safe environment appears to reduce any post-enrolment uncertainty in the minds of students about whether they have made the right choice. A student said that when attending an information session at another RTO, ‘I found that when I went to their reception at the place … like [this RTO] is so much more professional’. A Certificate III in Individual Support student relayed their experience with a different RTO offering the same qualification:

With the other provider, I just felt they just wanted people signing up so that they could get the government funding and then it’s just bums on seats whereas here it was a lot more personal. [With the RTO that wasn’t chosen] it was just like going into a shop and someone saying ‘buy this jumper, you have to buy this jumper’ — do you know what I mean? It was sort of like you have to make that decision when you are still going ‘hang on I need to know about the days!’
From the same qualification, a different student shared their experience:

With [another private RTO] I was emailing them and I just got a very short, very rough email back and I did the exact same thing here [with the RTO they enrolled with] and they had this really in-depth information about the question that I asked.

Students discussed the importance of engaging early with what became their preferred RTO and its ability to tap into their aspirations, self-confidence and self-esteem with information, trust building and guidance. The trainer for the Certificate I in Work Education explained how the RTO was seeking to address the interests and needs of their extremely diverse student group:

We’re exploring what they want to go on and do in the future. So we’re exploring whether some want to go on and do the trades, further education, whether they want to move into employment or whatever that may be.

Students also spoke about how employment agencies and job networks can play a role in educating prospective students about courses. For example, students in the Certificate I in Work Education spoke about the important role of their case worker in supporting them, in liaison with the RTO, to find a course that interested them and was a ‘good fit’.

The perceived quality and relevance of the training program (the ‘why’)

When considering measures of the quality of particular courses prior to enrolling, students spoke about their perceptions of employment prospects arising from enrolling in one course over another. Many students appeared to have a pragmatic employment-oriented approach relating to why they were enrolled in training. For example, one Diploma of Nursing student stated that it was ‘because you want a job at the end of it. There’s no point in doing it if you’re not going to get a job’.

Student perceptions of ‘industry relevance’ appeared to consist of strong links to current employers, industry recognition of the qualification and/or whether it is part of a licensing requirement (apprenticeship). However, it was difficult for students to define points of difference between RTOs offering the same course; that is, there was some basic expectation among students that the same course and/or qualification will cover a standardised program, regardless of the provider the student is enrolled with. A Certificate III in Individual Support student stated that ‘I wasn’t so worried about what provider I did the course with, I knew I wanted to do the course’.

For those already employed, there was agreement that the qualification would provide some short-term benefit with their current employer. For students in the Certificate III in Individual Support, a number ‘felt there was a bit more job security in this area’ than other industries in the local area. One community services student stated that ‘I know that my employment outcomes are going to improve from doing this. I’ve had the feedback’. The Diploma of Nursing students appeared to agree that ‘nursing is a pretty safe bet’. At the same time, a community services student argued that:

I do think that the [community services] industry is very employable even in the regions … [this region] seems to offer more opportunities for people with a welfare background.
One student was drawn to the Diploma of Community Services based on the reputation of the local TAFE, explaining that ‘one of the more important things for me was probably the reputation of the TAFE as well around this area especially’. Similarly, students in the Certificate III in Educational Support at the inner regional private RTO stated that:

Employers are going to say ‘who did you train under?’ and you’ll say this [lesser known] course and they’ll say ‘oh we don’t recognise that here’ or ‘I’ve never heard of that one’ but if you say I went to [RTO X] in the middle of town they’re like ‘oh yeah’.

Information sources

Information content

There appear to be core pieces of information referenced by these students that address their concerns about the ‘what’, ‘why’, ‘how’, ‘when’, ‘where’ and ‘which’ of their training choice:

- information on the training program to address concerns relating to content, requirements and structure (for example, expected start or completion times; entry requirements; attendance requirements; and availability of work placements)

- information on fees to address affordability concerns and consider value for money (for example, breakdown of tuition, materials, equipment, ancillary – students are seeking actual costs not estimates and total not partial costs; eligibility and exemptions for the training guarantee and VET FEE-HELP7)

- information on training and employment outcomes to address concerns about quality and the benefits of enrolling in any VET course or with a particular RTO (for example, completion rates; employment rates of graduates; salaries or earnings of graduates; employer satisfaction; student satisfaction and recommendations).

Where more than one choice was available, students appeared to filter the training providers on offer according to a number of criteria. A recurring criterion was the course structure and its units. For example, a metropolitan-based student said that ‘I did some research so I could compare the units that were included in this course with different organisations — the same course. I looked at the units — what you’re going to do — what you’re going to learn’.

Students in the metropolitan location spoke about ‘cost, duration and the pathways and what salaries and opportunities happen later’ as key pieces of information to assist their decision-making. A Diploma of Community Services student suggested their metric for ‘success’ would be ‘the percentage of people who gained employment in our class. Seeing how many people got a job’. Similarly, students in the Certificate III in Individual Support suggested it would be to ‘see how many of us get jobs’. Others were interested in the relevance of their skills and skills utilisation into the future: ‘I’d like to think the skills that we’re learning in the course are going to be utilised — that we’re not learning anything that’s going to be redundant’.

7 Now VET Student Loans.
Information sources

Information appears to have been sourced through a number of different mechanisms and messengers. It was clear that, across student groups, google had become the default search strategy. From there, students considered the information on RTO websites, course guides, Victorian Tertiary Admissions Centre (VTAC) guides and, to a lesser extent, government training information websites. For students in both the metropolitan and regional areas, word of mouth (for example, from family, friends and peers) and local intelligence appeared to play a vitally important role in their decision-making. A metropolitan student stated that ‘If you know someone who really did the course. This is the best source of information’. Similarly, students in the inner regional location explained that:

Student A: It’s word of mouth I suppose from people that have been in the courses or a course at [the RTO they were enrolled with] – it doesn’t have to be the course you’re wanting to go into. It’s just the experience itself.

(Certificate III Individual Support)

Student B: Mine was word of mouth – a friend had done the course and highly recommended it. Word of mouth is very important. Very important.

(Certificate III Educational Support)

For current high school students, such as those enrolled in the Certificate III in Health Services Assistance, school careers practitioners and teachers played an important role in helping students to identify career options. However, this appeared to be more general in nature, in that there was no specific process enabling students to compare specific and similar courses.

Many, particularly those in regional areas with limited choice, in terms of what training was on offer, had only limited capacity to compare courses and RTOs with the information available. Some examples were provided of the difficulties encountered while sourcing information about course details, usually the actual (not estimated) cost and/or the content of specific courses. When it came to accessing RTO websites, some students appeared sceptical of some of the information they had found. For example, one student stated that ‘I don’t think you can find much on [RTO] websites because they can say everything and you don’t know whether it’s true or not’.

To bridge the gap between advertising and reality, students saw value in attending open days and meeting the trainers. It was recognised that careers fairs and training provider open days helped students to view the facilities and training environment before committing to enrolling. Some students spoke about attending an ‘open day when you could speak to [current] students and that sort of thing’. When students attended these events they received information on ‘course outlines, what you’re going to study, employability, VET FEE-HELP that sort of stuff’.

It appeared that younger students were seeking information through the Victorian Tertiary Admissions Centre guide, attending open days and using online and RTO course guides. In terms of training market information websites, there was only limited awareness and uptake of government websites (such as myskills.gov.au, Victorian Skills Gateway or myfuture). A Certificate III in Individual Support student stated that:
Yeah I used one [of the government training information websites]. I think it was training ... dot com or something and I just wrote like ‘aged care’ and it came up with like different things around that area but some didn’t pop up like [the RTO they were enrolled with] didn’t pop up and a couple of others didn’t but the online courses did.

When asked about government websites, one student replied: ‘No, I didn’t know there was one available!’ Another stated: ‘I did. It was too hard. Too hard to get around’. One Certificate III in Educational Support student explained that she had found these websites useful:

I was looking at Cert. III vs IV so found it a useful tool for evaluating the benefit of doing one or the other. I found the government website kind of useful for that. It was also useful for finding information about how relevant the qualification was to employment.

Information customisation

When accessing information on courses, a number of students expressed their frustration with the lack of customisation in the data available to them. When asked what they needed from training information websites to feel better informed about their training choices, some students responded that they wanted ‘simplicity — get straight to the point’, ‘laymen’s terms’ and ‘not having to go in circles trying to find the information you want’. Another student explained that there may be more issues with accessing the data than with whether the information can be easily understood: ‘yeah I agree it’s not that you can’t understand it; it’s that there’s too many steps’. Offering a possible way forward for VET students, a Diploma of Nursing student suggested that:

I think there should be some process that shows what it actually takes to enrol regardless of whether its university, TAFE or whatever, because it’s so hard to find information on how to do it unless you’re someone who has already done it.

The respondents indicated, explicitly and implicitly, that they were seeking information, but they did not find it or didn’t know where to look. The type of information that students struggled to find related to the actual upfront and total costs of the course and payment options, and the specific details of course content. One student stated that it was impossible to ‘get information about the contact hours ... unless I emailed them and asked for specific information’.

Students in regional areas spoke about the difficulties they encountered in accessing information to provide any point of comparison by which to base their decision and choice. For example, when asked how they would measure the success of their choice after completion, one regionally based Diploma of Nursing student suggested that: ‘Well you’ve got nothing to compare it to. That’s the whole thing and there was no other option’.

Reflecting on the advice they might give students setting out on a similar journey, one metropolitan-based student said they ‘felt a lot wiser now’ and suggested that future students ‘ask a lot more questions [and] get a lot more information’.
Summary

This section presented data collected from 11 focus groups with 154 students at three non-representative RTOs in Victoria in 2016–17.

- A recurring set of influencing factors were highlighted by the students who participated in this research (the ‘who’). These factors included: training location (the ‘where’); timing of the training program (the ‘when’); cost and funding eligibility (the ‘how’); the training program itself (the ‘what’); the perceived quality and relevance of the training program (the ‘why’); and the perceived quality of the RTO (the ‘which’).

- An attendant suite of information on the training market was also identified to address each of the above factors. These appeared to focus on the content, source and level of customisation.

- In terms of sources, students will consider information on RTO websites, course guides, Victorian Tertiary Admissions Centre guides and, to a lesser extent, government training information websites. For students in both the metropolitan and regional areas, word of mouth (for example, family, friends, peers) and local intelligence appeared to play a vitally important role in their decision-making.

- Respondents spoke about the need to provide clear and accessible information and which was relevant and could be customised to their needs.
Discussion and conclusions

The section discusses the findings and considers their implications for policy, practice and research.

Measurement and reporting of student choice in VET

Administrative and survey data provide insight into student choice, although their usefulness should not be overstated. The findings suggest caution against making blanket statements that suggest implausibly direct relationships between student choice (the ultimate choice made) and statistical participation and/or the quantity of choices available, while giving little consideration to the freedom to choose, how the choice was made, or the types and quality of the choices available in the first place.

In terms of measurement of choice, a statistical increase in training participation and/or the number of RTOs delivering training, taken in isolation, offers little insight into whether individuals’ opportunities have broadened as a result of an increased quantity of training choices available to them; nor does it illuminate understanding of their freedom to exercise choice and of their control over their choices.

Both measures — participation and number of RTOs — may increase, in quantitative terms, while still not improving the outcomes for those who participated in training. Equally, without consideration of whether preferences were adapted (or obliged) to fit a narrow set of options or of the circumstances by which the individual came to choose one option over another — how the choice was made — we only see part of the complete picture of their training choices.

Main drivers influencing student choice of provider and course

When presented in the words of students, the findings reveal a common set of factors that influence how choices are constructed and made by VET students and those who have a role in their training choices (the ‘who’). These include:

- training location (the ‘where’)
- timing of the training program (the ‘when’)
- cost and funding eligibility (the ‘how’)
- the training program itself (the ‘what’)
- the perceived quality and relevance of the training program (the ‘why’)
- the perceived quality of the RTO (the ‘which’).

Cutting across each of these elements were the students’ concerns about their own accessibility to, and navigability of, the training system — using the information available to them. The interactions between these factors are simplified and presented in figure 3.
The ability of students to choose a preferred option from a range of alternatives appeared to vary across and within training groups; that is, their ability to choose what they train in, at what level and where. With the freedom to choose, students appeared to consider, in no consistent order:

- an occupation/industry/field (What do I want to do? What have I been told that I’m good at? What has it been suggested that I try?)
- a VET qualification that provides entry into the above (What qualification do I need to make that happen?)
- a selection of RTOs that offer the above (Where can I study that qualification?)
- a particular RTO that best meets their needs, based on each of the above (Which RTO offers the qualification in a way that meets my preferences?)

For each of the above decision-making processes to be sufficiently informed, the prospective student (and those who may make decisions with them and/or on their behalf) requires access to accurate information, information that is sufficiently customised to their circumstances, preferences and training requirements.

**Information to inform training choices**

The process of choosing appears to involve weighing up a number of different measures, as well as accessing information from a range of sources. This research appears to have identified that training information supports three dimensions: content; source; and customisation.
Content

‘Content’ concerns the relevance, influence and informative qualities of different types of information, including labour market information, provider and course quality, location and transport, and the experiences of others, especially that of peers. The findings from this research indicate that the main types of information used to select courses were generally location, cost and timing. Other information required was that relating to: timetabling, attendance requirements and scheduling of work placements; a contact for the specific course, as opposed to a customer hotline that deals with all courses; details on the enrolment process; and the locations at which it is offered.

A recurring finding was that students were seeking actual and total costs not estimates and partial costs, as well as firm indications of starting and completion dates. In summary, these findings suggest there is scope to improve the quality and access of information about key aspects of the VET sector through independent and verifiable sources, including:

- pricing of courses (by quoting the full price of the course and the level of the subsidy available for eligible students)
- the quality of the course outcomes
- eligibility and exemption rules (highlighting the implications of specific choices)
- labour market opportunities (including identifying areas of current and emerging skill shortage).

Source

‘Source’ concerns the preferred ‘messenger’ for accessing information and the channels/mechanisms by which it is communicated and presented to students. However, the findings also suggest that students are comfortable searching online for course information independently, prior to speaking with an RTO or careers advisor. These mechanisms appear to involve:

- word of mouth from individuals or organisations that are usually trusted by the student
- direct contact with RTOs or schools (for example, through open days and information sessions, RTO call centres or hotlines, advice and information from school careers advisor, other advisors or teachers)
- websites (including google, RTO websites, job search websites, training information websites)
- brochures and guides (course guides, directories)
- industry representatives (for example, current employer, industry presentations, events)
- Centrelink (referral arrangements, brochures, websites).

Customisation

This concerns the need to ensure relevant and accessible information can also be sufficiently customised to ensure that it is not generic, jargonistic and beyond the comprehension of those it seeks to inform. This research suggests that no one mechanism meets the needs of all VET students, particularly when communicating information about
VET to potential and current students. The data collected from focus group participants also suggest that information and communication needs differ greatly across age groups.

In summary, these data appear to reinforce the importance of equipping students with the skills and knowledge needed to navigate, access and interpret information at the course level (across RTOs) and at the course and RTO level (within specific RTOs) in order to make informed decisions. Furthermore, it suggests that the development and presentation of training market information would be usefully guided by a specific set of criteria.

Measuring and reflecting comprehensive outcomes

The third research question asked ‘how can current approaches to the measurement of and reporting on VET choice be broadened to reflect more comprehensive outcomes?’ The data appear to reaffirm earlier findings that the process of making choices in VET can be haphazard, passive and not necessarily follow a standardised, rational model. No single journey fits a consistent template or notion of an idealised journey. Rather than attempting to impose rational choice theory and linear process on the student journey, it may be more useful to think of students on a segmented continuum. These ‘segments’ could range from ‘active choosers’, those who are engaged with and seek out information about a training provider and course and enrol in it, to ‘passive choosers’, at the other end of the continuum, those who are guided or referred to a training provider and course based on other factors (for example, an apprenticeship provider chosen by their employer or by referral from a school).

These data suggest a continuum of ‘choosers’ could be underpinned by recognition of the individuals’ freedom to choose:

- any VET course in any location with any RTO (unlimited choice, largely theoretical)
- any VET course with any RTO that is offered in the local area (local offerings that may, or may not, require the student to adapt their preferences to suit)
- any VET course with a specific RTO offered in the local area (RTO is close/well regarded; what do they offer? Adapt preferences to suit)
- a specific VET course with any RTO (for example, a Certificate II in Business at three RTO alternatives)
- a specific VET course with a specific RTO (for example, a Certificate II in Business at RTO X).

This requires a level of segmentation not readily possible through an analysis of administrative and survey data. Performance-based data on participation and the numbers of RTOs offer only limited insight into the drivers of VET choice and the underlying causal factors that determine the choices available and which can ultimately be made. There are often unsurmountable cost limitations on the level of detail in the data that VET systems can extract from their student populations. Nevertheless, given that choice is the centrepiece of the market design model, it is important to use what data are available with care and to ensure that what is collected and reported meets the needs of users of the training system.
Implications

This section discusses the implications of the research findings for policy, practice and research. Overall, the findings have identified a number of distinctions that require further consideration in the application of rational choice theory to VET, particularly in the context of regional geographic areas and when catering to students less well able to inform themselves of their training options.

Policy

To date, the conceptualisation of choice in VET policy appears to have conflated a number of important dimensions, possibly contributing to its poor application and measurement.

Contextualising choice theory to VET policy

These findings support the hypothesis that choice, as it has been applied to the context of VET, is not universally available and occurs on a continuum ranging from numerous to none. While choice is a necessary component of a well-functioning competitive training market, this research suggests that segments of the VET student population lack both access to choice and control over their choice of course and RTO. This lack of control, coupled with limited information, may create asymmetries in the dynamic that exists not just between prospective students and RTOs, but between prospective students and the VET system more broadly.

The findings suggest that the application of idealised and consumer-driven notions of choice to VET is problematic. In reality, choices about education and training can encompass many factors, be complex, involve comparatively high stakes, be based on experience (not speculation/gratification) and be ongoing, and may arise from referral and guidance by intermediaries. They are contingent on an array of factors and, for those who can and do ‘shop around’, are informed and influenced by the content, availability and quality of training information.

There are policy developments underway in this area. ‘Behavioural insights units’ have been set up in New South Wales and Victoria since 2015, each drawing on a model used in the United Kingdom. In the review of VET funding in Victoria, Mackenzie and Coulson (2015, p.106) explained that:

The United Kingdom’s Behavioural Insights Unit has developed the EAST framework — that if you want to encourage a behaviour (such as good training choices), you should make it Easy, Attractive, Social and Timely (EAST). There are obvious applications for the VET system, where for a variety of reasons, students have demonstrably not made the best decisions with their training entitlement.

In the context of the behavioural economics approach cited above, the findings from this research suggest a need to develop a model of informed choice, one that positions prospective students in their own context and provides trustworthy and (at least partially) customised information to meet their needs and signpost the actions that can occur next.

Furthermore, the findings suggest there is value in further disentangling loosely defined notions of ‘choice’ as they have been applied to date. While it may be simpler to identify when training choices are ‘poor’, ‘wrong’ or ‘inappropriate’, how does a VET system know when training choices are ‘appropriate’ or ‘good’ or ‘informed’? Is close alignment of
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Student participation in training in those industries experiencing skill shortages a sufficient measure of training choice or are more broad-based measures required to understand students’ freedom to choose something they value?

**Improving the evidence base on VET choice and how it is reported**

In reporting on the performance of the VET system, the notions encapsulated within the concept of choice in VET appear to have been conflated such that its dimensions include only:

- the choice that was *ultimately selected*: the number of students participating by sector, course etc.
- the *quantity* of the choices available: the number of RTOs
- the *quality* of the choices available: outcomes-based performance indicators such as student and employer satisfaction.

With the introduction of open training markets, choice appears to have been ill defined and, as a result, is imprecisely measured and understood. That is, if a change occurs in participation levels, or in the sectoral composition of participation (for example, TAFE, private RTO, ACE), then the statistical change appears to have been narrowly inferred to be a function of student choice — just as increased sales of a brand of cereal is inferred to be a function of consumer choice and market demand.

Similarly, simplistic measures that show increases in the number of RTOs have been equated to ‘improved choice’, albeit without a strong evidence base to substantiate such a relationship. For example, we do not see from the administrative data on participation whether choices have adapted to funding rules or to local offerings or been distorted as a result of changes to policy. If they have, what might be the underlying causal factors? If increased participation is a function of increased choice, is decreased participation also a function of decreased choice?

**Making valid comparisons**

The provision of more granular course comparisons and RTO–course comparisons are an essential ingredient of a training market that values the choices of students. This requires ‘apples with apples’ comparisons to strike a workable balance between: information comparability between and across courses; relevance of the information to the particular market segment; ease of access and functionality of the information source; the cost of collecting any new information; and the privacy, ethical and statistical limitations of reporting information at a detailed and disaggregated level. In summary, information must be accessible, independent (and trusted), relevant and customised.

The views of students in this study suggest a degree of uncertainty in their journey and a need to demystify the process. There is a challenge for government in disseminating independently verified information on courses and RTOs without unduly influencing or biasing the choices of prospective students. The amount of comparable RTO information in a standardised format in Australia remains limited. What data are available are often headline statistics across all courses rather than specific RTO–course combinations. Given the importance the students in this study placed on having timely information, there are implications for the content, source and customisation of data as the market design approach continues to develop.
Customising information to the needs of prospective students

Finally, a key policy implication arising from this research is the need to narrow the gap between what training information is provided to prospective students and the mechanisms through which it is communicated AND what information is required and trusted by prospective students to enable them to make an informed choice of training provider, course and career. At present, there appears to be considerable overlap between the system-level measures of performance used by governments for public accountability purposes and what is presumed to be relevant to students when choosing a VET course.

It is important for policy, therefore, to conceptualise choice and training information in a way that is both age- and audience-appropriate. This reinforces the importance of ensuring that those providing advice to young people about their training options (for example, school careers advisors or parents) have access to high-quality, relevant and accessible information. The policy implication is that training market information should be customised and accessible to people from diverse backgrounds, rather than being a generic approach, that is, one that closely mirrors system-level performance measures.

Practice

Just as there are challenges for policy-makers in improving market information at a system level, the translation of complex policy settings, funding rules and eligibility criteria into information that is understandable and meaningful to students is an ongoing challenge for RTOs, as well as for the organisations with which they work at a local level.

At the RTO level, the data reported in this report are a reminder that efforts to accommodate student preferences, interests and needs must be matched with the operations of the organisation. The viability of courses in this market-oriented environment is, in large part, dependent on the number of students who are enrolled. The research shows that prospective students value early engagement between themselves and RTOs — not merely the outcomes-based measures of performance that accrue after graduation. It points to the importance of students being assured that their choice is well informed and that their entitlement to government-subsidised training will not be wasted.

For practitioners, these early points of engagement can extend from the initial point of engagement, admission, selection and enrolment, through to completion. With an increased quantum of providers in the market, there is an increasingly important role for careers practitioners to support potential VET students in their navigation of the VET system and assist them to make choices and identify their preferences. It may be that more consideration could be given to the types of skills needed to navigate the VET system to ensure that a good fit is achieved between the student, their course and the RTO.

There may also be implications arising in terms of data capture at the local level. For example, one of the RTOs that participated in the research has recently introduced questions on its enrolment form to ask students to give the number of RTOs they considered prior to enrolling with them; the form also asks the students to explain their reasons for choosing the RTO. The findings of this research point to the importance of more systematic approaches to documenting these types of processes with reliable data and using them to improve the experience of future students.
Research

There is clearly an ongoing appetite for research on the factors that influence choices in VET, particularly in the context of these newly created market environments. Future research could include the development of tailored, relevant and accessible information and decision-support tools for various segments of prospective and enrolled students. This could also involve testing and trialling new mechanisms for disseminating information to students, careers advisors, parents and other stakeholders in this new training environment. It would also need to consider the ‘how’, ‘why’, ‘what’, ‘when’, ‘which’ and ‘where’ students engage with the training system more generally, and RTOs more specifically, and the information and advice they require to help with their decision-making.

Concluding remarks

These data suggest that a shifting array of factors influence what actions can be and are ultimately taken with respect to students’ training choices in their local environment. These can include: the number and composition of RTOs within travelable distance (location); the opportunities available in the local area (job prospects); costs of study (affordability and return on investment); income support; and entitlement to government-subsidised training (affordability and access), among an array of other factors. It appears to rarely be the case, however, that one or two factors alone influence training decisions and the resulting choices.

The findings suggest that the concept of increasing and improving student choice in open training markets, while a worthy policy aspiration, is not sufficiently understood nor the implications fully recognised, and as a result is imprecisely measured for the purposes that it seeks to serve. Nevertheless, it is clear that efforts are ongoing to improve the content, quality and mechanisms through which information is provided to prospective VET students.

With the growing emphasis on training markets in VET policy in Australia, there will likely be increased interest among policy-makers, practitioners and researchers in understanding the types of decision-making and choices raised in this research. The challenge, however, remains in addressing the limitations of transferring and applying economic models and rational choice theory to an ‘experience good’ offered through an eligibility-based entitlement to government funding.

From the students’ perspective, there is a clear need for the system to communicate information that is accessible, independent (and trusted), relevant and customised to prospective students. Finally, there is a pressing need to ensure that this information is made relevant through segmentation of student types, while also recognising that many segments are not well equipped to navigate the complexity of the VET system and, ultimately, may have limited control over the training choices available in their local environment.
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