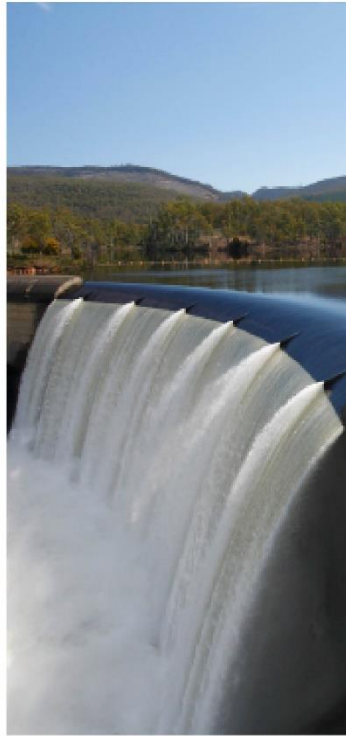
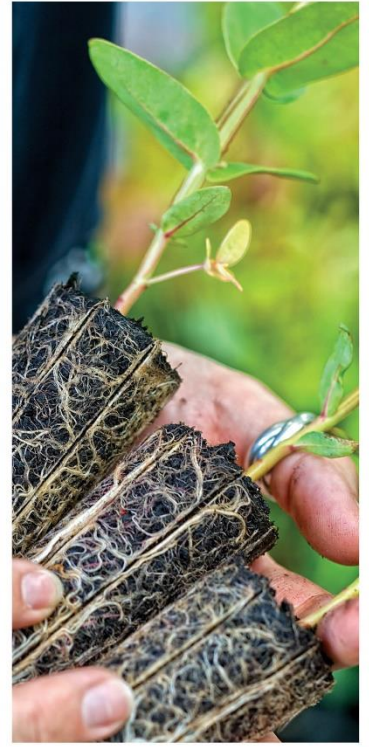
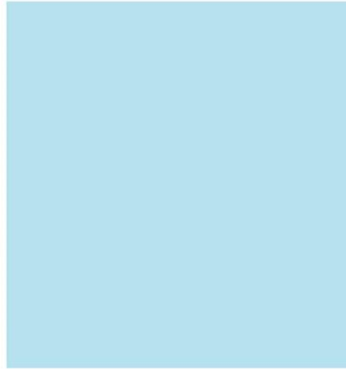


# 2020 Performance Report



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# Training and Workforce Development System: Performance Report 2020

This report provides an overview of the performance of the government subsidised *Tasmanian Training and Workforce Development System* for the calendar year 2020. It is a statutory requirement under the *Training and Workforce Development Act 2013*.

The report is predominantly based on internal Skills Tasmania data. This data is correct to April 2020, but subsequent updates may mean that final data within the report may not exactly reflect final data from the National Centre for Vocational Education Research for the 2020 calendar year. NCVER data will be released in June 2021.

## Overview: The Tasmanian training and workforce development system

The government subsidised Tasmanian training and workforce development system (the system) was established under the *Training and Workforce Development Act 2013* to support a skilled and productive workforce and contribute to economic and social progress in Tasmania. The system consists of:

- Vocational education and training (VET), including Tasmania's traineeship and apprenticeship system.
- Other training or skills and workforce development planning and activity.
- Foundation skills (such as literacy, numeracy, digital literacy and general skills).

The Department of State Growth (Skills Tasmania):

- Provides funding for training that is responsive to the needs of employers, industry and the community.
- Provides funding for training and other activities that provide individuals skills and qualifications.
- Coordinates funding for and the Ministerial Expectations of TasTAFE.
- Administers Tasmania's traineeship and apprenticeship system.

At an operational level, the Tasmanian training and workforce development system is largely utilised in response to demand from students and employers. Demand varies according to economic conditions, regionally specific demography, and the cyclical nature of industry or employer training needs. As such, specific enrolment patterns tend to fluctuate over the short term, while longer term trends in training delivery can reflect broader changes in the Australian or Tasmanian economies.

## Government funding and priorities

The State Government contributes the bulk of the funding for the training and workforce development system and has the key responsibility for supporting the direction of VET in Tasmania. In the 2019-20 financial year, the State Government contributed 68 per cent of \$127.6 million in total government budget for VET in Tasmania, with the Australian Government funding 32 per cent.

The State Government also plays a key role in advocacy, policy mediation and negotiation with the Australian Government, to ensure that the specific characteristics and needs of the Tasmanian industry and population are taken into account in national policy interventions or changes.

In 2018, Tasmania signed the Australian Government's National Partnership agreement on the Skilling Australians Fund. This agreement is worth up to \$21.8 million to Tasmania over four years to 2021-22, and requires ambitious targets for new apprenticeship and traineeship commencements to be met.

In addition, the Tasmanian Government established a target of increasing the number of apprenticeship and traineeship commencements by 40 per cent by 2025.

These two targets informed funding priorities for 2020, in alignment with the Tasmanian Government's [Ministerial Priorities for Training and Workforce Development 2018-2021](#).

As experienced in all areas of economic and social activity, the COVID-19 pandemic of 2020 significantly impacted both the Tasmanian training and workforce development system and government priorities.

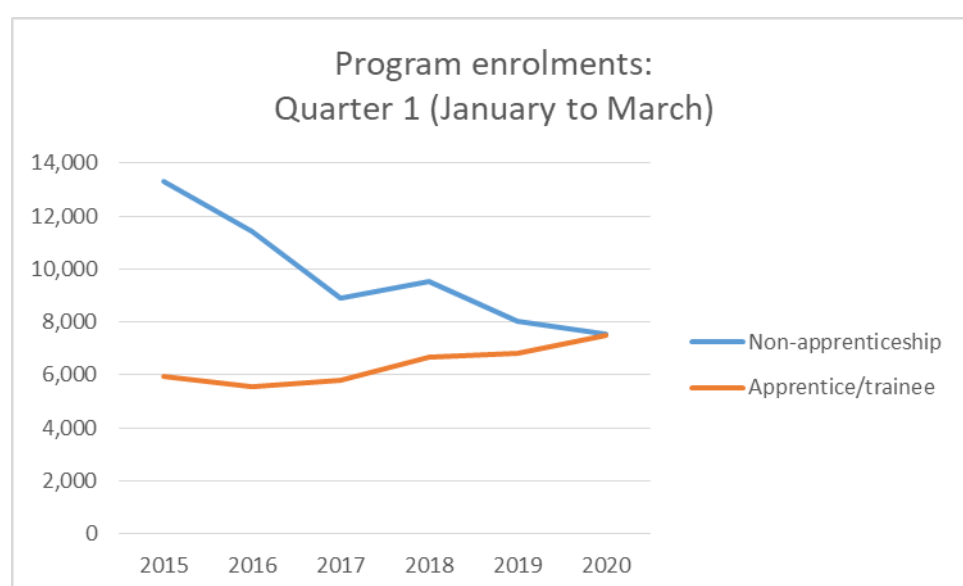
Due to the unprecedented nature of 2020 and that training activity was significantly interrupted, this report will describe the impacts and the implementation of key initiatives that were introduced to manage the system and mitigate the effects of the pandemic. It will also provide a picture of where the system was positioned at the end of the year.

## Before COVID-19: January to March 2020

The period from January to March is one of the busiest for the government subsidised Tasmanian training and workforce development system. The greatest proportion of commencements occur during this period. In 2020 the busiest part of this period was comparatively unaffected by the pandemic, however the final two weeks coincided with the declaration of a Public Health and State of Emergency.

The first quarter of 2020 appeared positive for overall, with a 2.8 per cent increase in student numbers and 1.4 per cent more program enrolments compared with the first quarter of 2019. This increase was driven by apprenticeships and traineeships, with a 10.2 per cent increase in program enrolments compared with the first quarter of 2019.<sup>1</sup>

Quarter 1 data also indicated that the long term trend decline in non-contract training delivery was continuing, with a 5.9 per cent decline in the first quarter between 2019 and 2020. In the first quarter of 2020, the total number of program enrolments in apprenticeships/traineeships for the first time equalled program enrolments in non-contract training.



*Skills Tasmania internal data: Quarter 1 intake (accessed March 2021). Note: quarterly data collection began in 2015.*

Despite the increase in apprentice/trainee enrolments, commencements in the first quarter of 2020 indicated a slowing of uptake in all industries, with an overall decline of 14.4 per cent, excepting marginal increases in *Electricity, Gas, Water and Waste Industries* and *Health Care and Social Assistance*. Most significant declines were in *Retail, Manufacturing, and Accommodation and Food Services* program enrolments and were more pronounced at TasTAFE due to its training dominance in the latter two sectors.<sup>2</sup>

## COVID-19 disruption: April to September 2020

The first case of COVID-19 in Tasmania was recorded on 5 March 2020. From mid-March the Tasmanian Government introduced significant public health measures, including the closure of borders, businesses and events to limit all but the most necessary human activity.

The pandemic closures resulted in significant disruption. VET training is particularly dependent on face-to-face delivery in both the classroom and in the workplace.

<sup>1</sup> Internal Skills Tasmania data, accessed March 2021.

<sup>2</sup> Internal Skills Tasmania data, accessed March 2021.



Immediate actions taken by Skills Tasmania focussed on minimising cancellation of apprentices and trainees training contracts by making it easier for employers to access suspension of training contracts where their business was in hibernation or was suffering negative impacts from COVID-19. The Tasmanian Traineeships and Apprenticeships Committee (TTAC) approved delegations to allow Skills Tasmania to grant extended suspensions and vary hours of employment to training contracts that would otherwise be cancelled with the impact of COVID-19, and to increase the period of suspension allowed.

In May 2020, a Ministerial Forum was held with industry and community partners to understand the challenges created by COVID-19 in the context of workforce development, skills and training, and how the Training and Workforce Development system could support recovery in the subsequent 6-12 months.

Tasmanian based private Registered Training Organisations (RTOs) delivering government-subsidised training were supported by a one-off Tasmanian Government payment to 5 per cent of their 2019 training activity, at an estimated maximum cost of \$800 000. This payment was in recognition that private RTO cash-flows would be significantly impacted by COVID-19 and was aimed at maintaining Tasmania's valuable but small private RTO sector.

The Tasmanian Government also announced a \$6.3 million boost to the *Rapid Response Skills Initiative (RRSI)* to support individuals who had lost employment through COVID-19, and introduced a *Skills Matching Service* to match displaced workers to local employers. This also included a \$1.5 million *Train Now Fund* to up-skill existing workforces to support a transfer to the new, online, economy.

In May the TasTAFE the *Skill Up to your future* program was introduced and focussed on free online short courses and skill sets to support Tasmanians to re-enter the workforce.

In July the Tasmanian Government announced \$3.6 million in funding support for learning programs to help Tasmanians to gain new skills and improve their employability through *Adult Learning Fund* and *Skills Fund* releases.

From July 2020, the *Apprentices and Trainees Small Business Grant* and the *Targeted Small Business Grants Program for Apprentices and Trainees* were extended and expanded, with a boost of \$7.5 million.

In September 2020, the Australian and Tasmanian Governments announced the \$21 million JobTrainer Fund which would provide no cost training for Tasmanian school leavers and job seekers in priority areas with strong future job prospects.

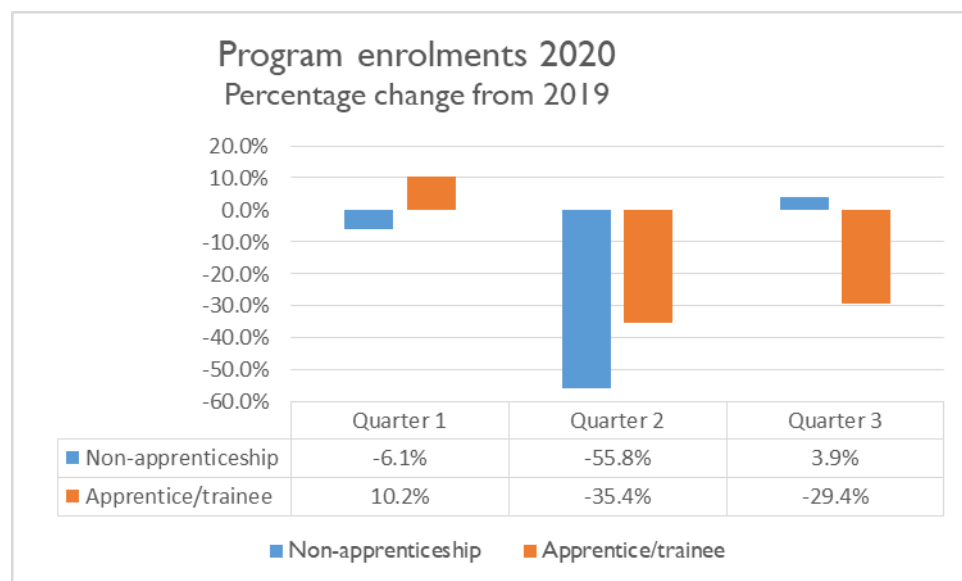
## Impacts

The greatest disruption to training occurred in Quarter 2 to the beginning of Quarter 3 (April to July). Over time Tasmanian businesses, RTOs and learners began to adapt to the new environment and by September the system showed signs of recovery.

- All classroom training was initially halted, with RTOs moving as much as possible to online training over the period.
- The lack of workplaces naturally impacted apprentices and trainees heavily, but also affected work-placements for learners enrolled in non-contract training.
- For all students, final assessments (completions) were delayed due to the lack of face-to-face and workplace assessments.
- Employers generally suspended and maintained their apprentices and trainees, but limited their uptake of new apprentices and trainees.

## Program Enrolments (all learners)

Quarter 2 (April to June) was most affected by the public health restrictions and this shows clearly in the major drop in quarterly intakes of program enrolments. Quarter 3 (July to September) demonstrates RTOs transition to online learning and alterations to course structures, with program enrolments beginning to recover.

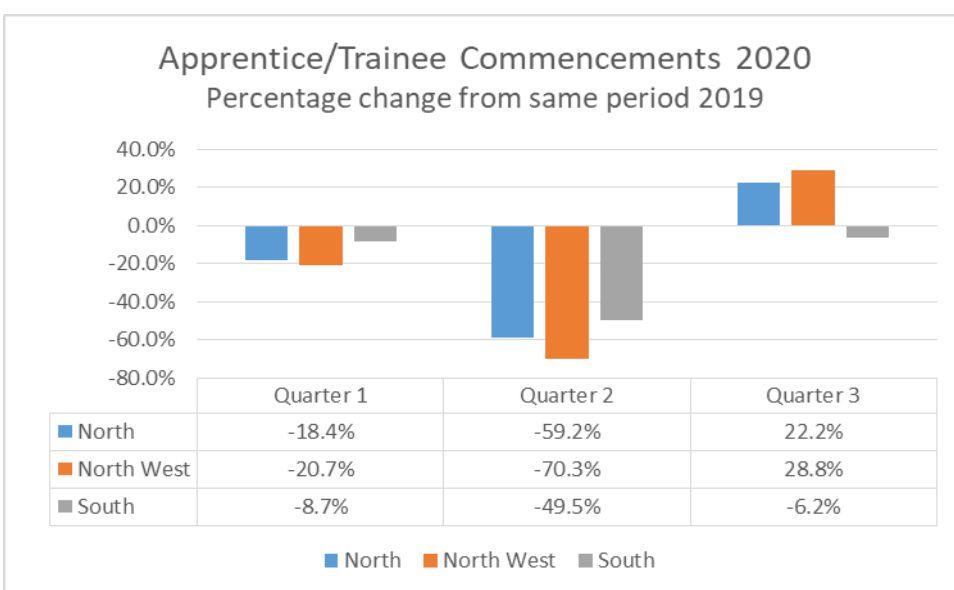


Skills Tasmania Internal data: quarterly change (accessed March 2021).

Training across all industry sectors were affected by the closures and other public health restrictions across Quarters 2 and 3, however training in *Accommodation and Food Services, Retail, Administrative and Support Services* (includes Tourism) and *Transport, Postal and Warehousing* suffered the largest negative impacts.

## Apprentices and Trainees

Apprentice and Trainee commencements were severely affected by the public health restrictions in Quarter 2, with commencements down by 58 per cent and suspensions of existing Apprentice and Trainees increasing by almost four times that the same period in 2019.<sup>3</sup> As the North and North West were hit harder by the pandemic, the impacts on training activity in these regions were also more pronounced. In the latter part of Quarter 3, employer confidence began to return and commencements began to recover – particularly in the North and North West.



Skills Tasmania Internal data: quarterly change (accessed March 2021).

<sup>3</sup> Internal Skills Tasmania data, accessed March 2021.

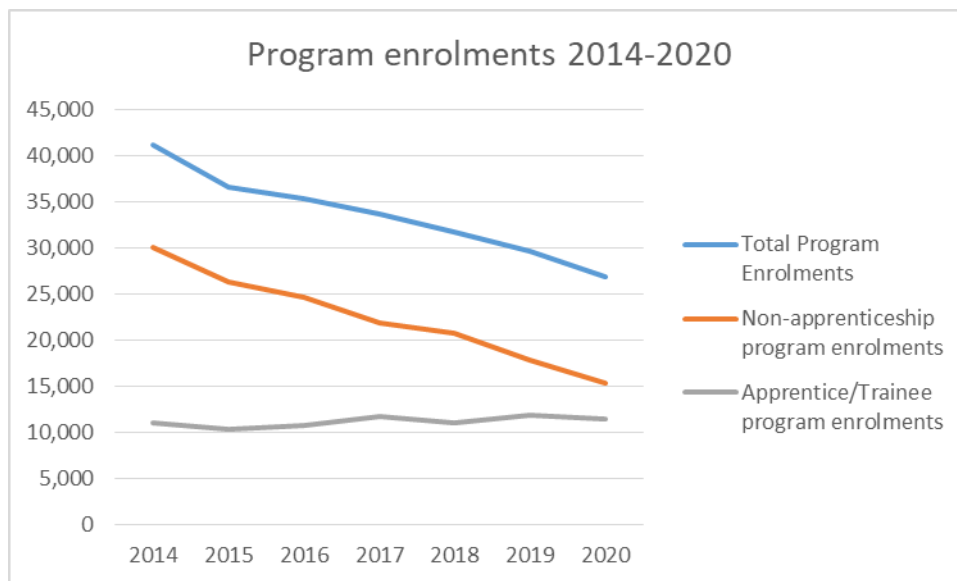
## COVID-19 recovery: October to December 2020

From October to December there was a rapid return to training, both in the classroom and in the workplace, with employers once again confident to take on new apprentices and trainees.

### Program Enrolments (all learners)

As RTOs adapted to the new blended training environment and workplaces began to open up, training activity rebounded and final enrolment numbers, although still down on previous years, were far more than could have been expected during April – September 2020.

Despite the severe disruption, final 2020 numbers saw a plateauing of Apprentice/Trainee enrolments and the continuance of the trend decline in Non-contract training activity.



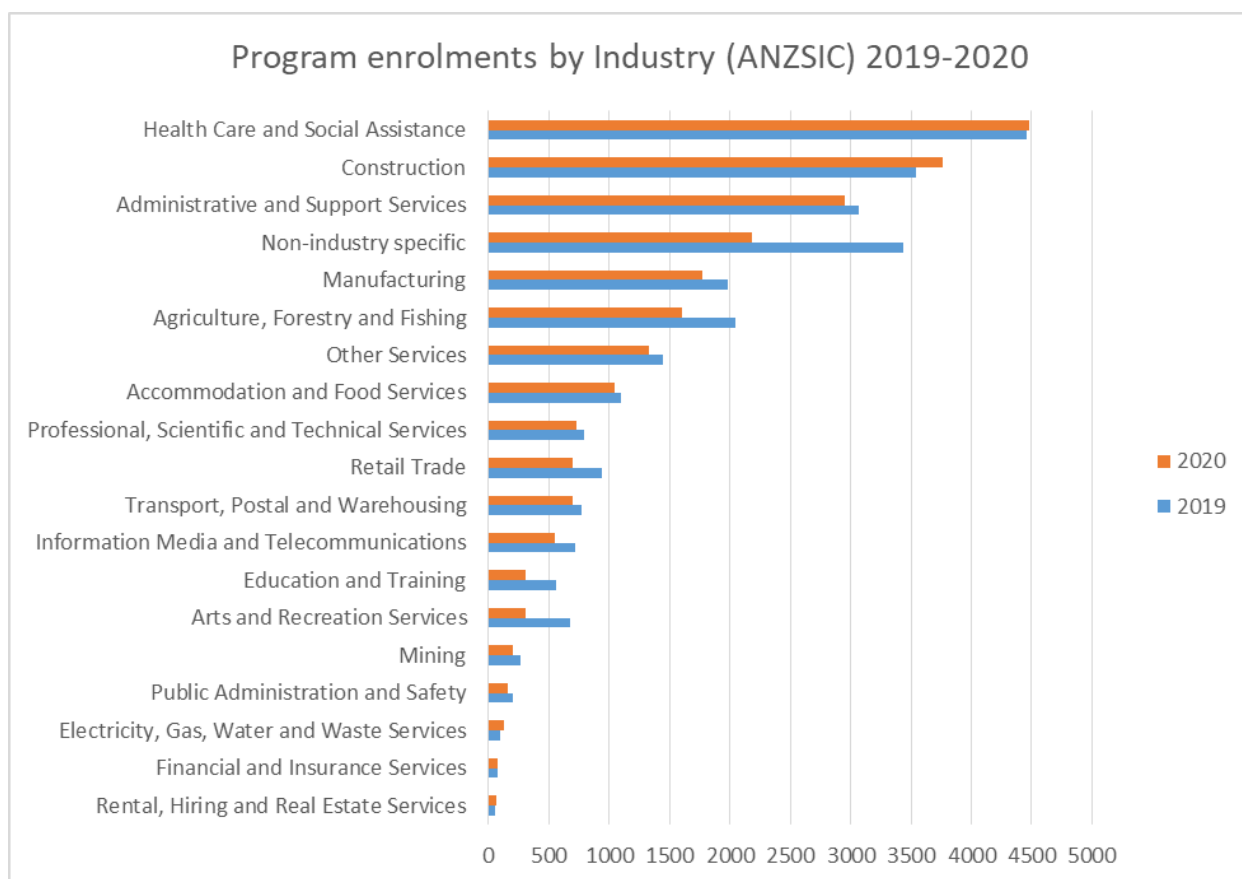
Skills Tasmania internal data  
(accessed March 2021).

Although all industry sectors experienced disruption throughout 2020, the two dominant sectors – *Construction* and *Health Care and Social Assistance* – both finished the year with increased enrolments from 2019 (6.2 per cent and 0.4 per cent respectively).

There was also significant rebound in program enrolments and apprenticeship/traineeships in Quarters 3 and 4 for many industries, but was not always great enough to compensate for losses during the year. These included *Manufacturing* (-23 per cent), *Retail* (-25 per cent), *Public Administration and Safety* (-19 per cent), and *Education and Training* (-44 per cent).

Some sectors started 2020 with large increases, but a lack of a rebound resulted in a decline in enrolments overall. Tourism related industries were particularly affected, such as *Arts and Recreation Services* (-54 per cent), *Accommodation and Food Services* (-4.6 per cent overall despite an increase of 36 per cent in Quarter 1), and *Information Media and Telecommunications* (-23 per cent).

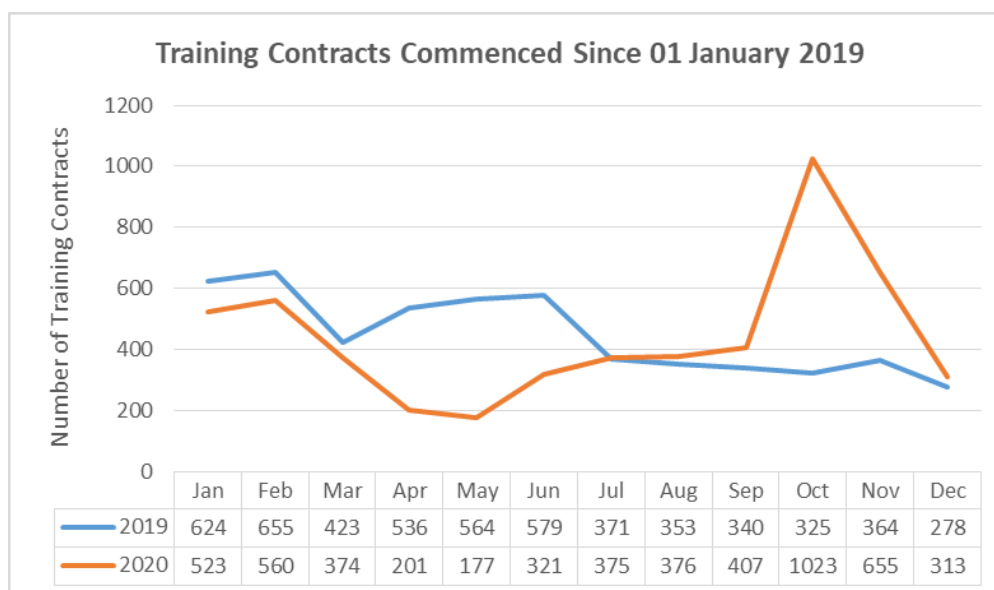




*Skills Tasmania internal data (accessed March 2021).*

## Apprentices and Trainees

October 2020 experienced the highest monthly total for commencements recorded since June 2012 (1023 commencements), providing a remarkable rebound which largely counteracted the declines experienced earlier in the year.



*Skills Tasmania internal data (accessed March 2021)*

A total of 5,305 training contracts commenced in 2020 compared to 5,412 in 2019, a decline of just 2.0 per cent (with 107 fewer commencements).

# Our final position – Tasmanian Training and Workforce Development System 2020 (snapshot)

## Key trends

### Government subsidised training activity

- Based on the most recent data, Tasmanian Government funding supports 64 per cent of all enrolments in nationally recognised training in Tasmania<sup>4</sup>, with the remainder being funded by students and/or employers.
- In 2020, the Tasmanian Government supported 25,025 students, 27,202 related course enrolments and 5.2 million nominal hours of training delivery to Tasmanians<sup>5</sup>.
  - Of this training activity, TasTAFE accounted for 52 per cent of the students, 55 per cent of course enrolments and 63 per cent of nominal training hours (with private providers accounting for the remainder).
- The majority of government-supported training over the past five years has been to learners who are working: from 2015 to 2019, on average 72 per cent of VET students in Tasmania were employed<sup>6</sup>. In 2020 78 per cent of VET students were employed.
- 46.3 per cent of government funded students in Tasmania were in the most disadvantaged socio-economic category, based on the ABS SEIFA Index of Relative Socio-economic Disadvantage (IRSD). This rate was more than double the national average (22.2 per cent) and approximately double the rate in most states and territories (apart from South Australian at 30.3 per cent).<sup>7</sup>

Table 1: 2020 Activity in the training and workforce development system (Students, enrolments and nominal hours)

	2020 Students	% change in no of students from 2019	2020 Enrolments	% change in no of enrolments from 2019	2020 Nominal hours	% change nominal hours from 2019
Private training providers	11,944	2.2%	12,343	-0.5%	1,920,159	-18.9%
TasTAFE	13,081	-7.1%	14,859	-14.0%	3,286,108	-13.9%
<b>Total</b>	<b>25,025</b>	<b>-2.9%</b>	<b>27,202</b>	<b>-8.3%</b>	<b>5,206,267</b>	<b>-15.8%</b>

### Training activity: continued strong performance for the Tasmanian apprenticeship system

- Nationally, there has been a downtrend in the number of government-funded students over the past five years, driven largely by declines in non-contract VET training. In 2020, this trend continued, with a drop in program enrolments of 12.1 per cent.
  - The bulk of the program enrolment declines were in Non-Award, Certificate I and Certificate II courses, in part due to the restrictions on delivery of face-to-face classroom training.

<sup>4</sup> NCVER Total VET Students and Courses, 2019 year (most recent available data).

<sup>5</sup> Internal Skills Tasmania data, accessed March 2020. Enrolments figure includes locally recognised skill sets and courses which are not reflected in national enrolment figures published by NCVER.

<sup>6</sup> Five year average 2015-2019, internal Skills Tasmania data.

<sup>7</sup> NCVER Government funded students and courses, March 2021

- Consistent with this, in 2020 in Tasmania, total activity in the training system declined, based on the total number of students (down 2.9 per cent), total enrolments (down 8.3 per cent) and total nominal hours delivered (down 15.8 per cent).
- However, the Tasmanian apprenticeship system continued to perform well. Despite the severe impact of COVID-19, commencements only declined by 2 per cent from 2019.
  - In 2020 non-trade commencements declined by 7.2 per cent from 2019, while trade apprenticeships commencements increased by 7.1 per cent from 2019.
- Tasmanian apprentice contract completion rates remain the highest in the country at 57.2 per cent (compared to 49.1 percent nationally).

### Training quality and student outcomes

- Tasmania performs well on most measures of employer engagement with VET, with<sup>8</sup>:
  - The highest rate of employer engagement with apprentices and trainees in the country (29.4 per cent of all employers).
  - The second highest rate of employer engagement with VET of all states and territories (55.1 per cent of employers), a rate which has been relatively stable over time.
  - The second highest proportion of employers using nationally recognised training of all states and territories (23.7 per cent).
    - Of those Tasmanian employers using nationally recognised training in 2019, 82.6 per cent were satisfied – the highest rate of all states and territories.
- In 2019, there was a decline in satisfaction from employers where a VET qualifications is a job requirement: 68.6 per cent were satisfied that vocational qualifications provided employees with the skills they need for the job, down from 81.2 per cent in 2017.
- Tasmania continues to show above average performance on VET outcome measures for student satisfaction and employment outcomes, despite COVID-19 impacting employment outcomes<sup>9</sup>:
  - 89.8 per cent of Government-funded VET graduates were satisfied with the overall quality of training, higher than the national average of 89.5 per cent, though down slightly from 90.8 per cent in 2019.
  - Of those Government-funded VET graduates not employed before training in Tasmania, 39.8 per cent were employed after training, compared to 36.1 per cent for all Australia.
    - Performance on this measure was impacted by COVID-19, with the rate down from 52.8 per cent in 2019 for Tasmania and 45.6 per cent for Australia.
  - 84 per cent of Government-funded VET graduates in Tasmania received at least one job-related benefit from training compared to 80.6 per cent nationally.

### Delivery at TasTAFE

- Consistent with national trends in government subsidised training, total training activity at TasTAFE declined in 2020 compared to 2019. Enrolments declined by 14 per cent, and total nominal training hours decreased by 13.9 per cent.

<sup>8</sup> NCVER 2019, *Survey of Employers' Use and Views of the VET System 2019* (conducted Feb-Jun 2019) This Survey is completed biannually.

<sup>9</sup> NCVER 2020 Student Outcome Survey, <https://www.ncver.edu.au/asg/vet-student-outcomes-2020>. Results are for 2019 learners.

- However, apprentice and trainee activity has continued to increase at TasTAFE in 2020, with commencements up by 2.6 per cent compared to (to 2 064) <sup>10</sup>. This increase was largely due to an increase in Construction apprentices/trainees.

### Private training providers

- In 2020, there were 96 endorsed private RTOs actively delivering training to Tasmanians, the majority of which were small: 53 delivered training to 1 to 49 students, 14 delivered to 50-99 students and 29 RTOs delivered training to 100 or more students. In 2019 there were 99 actively delivering private RTOs.
- In 2020, total VET enrolments at private providers were stable, with an increase in non-contract training enrolments and a decline in apprentice and trainees.

### Investment in priority industries

- Qualifications related to health care and social assistance (including aged and disability services) and construction industries accounted for the highest shares of total VET enrolments (17 and 14 per cent respectively) and received the largest shares of government funding in 2020 (22 and 16 per cent).
- Other industries with relatively higher shares of government enrolments and funding included administrative and support services (11 of enrolments and 8 per cent of funding), manufacturing (including advanced manufacturing) with 7 per cent of enrolments and funding, and agriculture, forestry and fishing with 6 per cent of enrolments and 8 per cent of funding.

### Trends in regional training demand

- TasTAFE holds 57.5 per cent of program enrolments in the North, 52 per cent in the North West, and 53 per cent in the South. TasTAFE program enrolments declined by 16.4 per cent; private RTOs declined by 0.5 per cent.
- Public health restrictions affected the North West to a greater extent than the rest of the state, however the rebound in apprenticeship/traineeship commencements resulted in growth of 2.5% for 2020.
- The rebound also limited declines in the North and South, with declines of only 1.6 and 1.1 per cent respectively.
- The North West traditionally has a high level of employer engagement with the apprenticeship system, and in 2020 the number of employers taking on new apprentice/trainees increased in the North West (by 4 per cent). Apprentice and trainee commencements were up by 11 per cent, with overall VET enrolments up at private RTOs (7 per cent) and down at TAFE (10 per cent).
- Program enrolments include non-contract training and were therefore affected far more by public health restrictions, with limited capacity to rebound due to the constraints of ongoing restrictions on gatherings.
  - The North experienced the worst outcomes with a 14 per cent decline in total program enrolments in 2020. The South experienced a 9.3 per cent decline, and the North West a 5.2 per cent decline.

<sup>10</sup> Internal data, accessed 22 March 2021

Attachment I: Industry sectors in Tasmania and Tasmanian Government investment in training

Industry (ANZIC)	% Contribution to economy*	% Employment	% of Govt VET Funding***	% of Govt-subsidised enrolments
Health care and social assistance (Q)	15.0%	15.6%	21.8%	16.5%
Construction (E)	7.7%	7.8%	15.6%	13.8%
Administrative and support services (N)	2.0%	2.7%	8.1%	10.8%
Manufacturing (C)	7.4%	7.0%	7.4%	6.5%
Agriculture, forestry and fishing (A)	10.2%	6.8%	7.7%	5.9%
Other services (S)	2.0%	3.5%	7.2%	4.9%
Accommodation and food services (H)	2.5%	8.1%	4.7%	3.9%
Professional, scientific and technical services (M)	3.6%	6.4%	4.0%	2.7%
Retail trade (G)	5.4%	10.0%	1.1%	2.6%
Transport, postal and warehousing (I)	4.5%	4.3%	2.7%	2.6%
Information media and telecommunications (J)	3.6%	1.2%	2.3%	2.0%
Education and training (P)	6.9%	9.2%	2.0%	1.1%
Arts and recreation services (R)	1.1%	1.7%	2.7%	1.1%
Mining (B)	4.3%	0.9%	0.2%	0.8%
Public administration and safety (O)	7.8%	7.8%	0.6%	0.6%
Electricity, gas, water and waste services (D)	3.6%	1.6%	0.6%	0.5%
Financial and insurance services (K)	6.6%	2.0%	0.0%	0.3%
Rental, hiring and real estate services (L)	2.1%	1.3%	0.3%	0.2%
Wholesale trade (F)	3.6%	2.1%	0.0%	0.0%
Non-industry specific			5.2%	8.0%
Unclassified unit only enrolments and skill sets****			5.6%	15.2%
Total	100.0%	100.0%	100.0%	100.0%

**Notes:** All enrolment and Tasmanian government funding data: Skills Tasmania internal data, April 2020

Non-industry specific includes Foundation skills (literacy and numeracy)

\*% of total industry gross value added, as at June 2020. Source: ABS, 5220.0 Australian National Accounts: State Accounts, Table 7. Expenditure, Income and Industry Components of Gross State Product, Tasmania, Chain volume measures and current prices. Latest release. Industry share calculated using chain volume measures, and excludes ownership of dwellings.

\*\*% of total employed persons. Industry total and total employment calculated as the average across the four quarters in 2020. Source: ABS 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly, Table 05. Employed persons by State, Territory and Industry division of main job (ANZSIC). Latest release.

\*\*\* % of Government VET Funding is calculated as the amount of Commonwealth and State expenditure on VET training in the 2020 calendar year.

\*\*\*\* Includes unit only enrolments and skill sets with no available industry-specific information.

# Acronyms and glossary

**ASQA:** The Australian Skills Quality Authority - the regulator for the VET system

**SEIFA:** The Socio-Economic Indexes for Areas (SEIFA) indicate aspects of disadvantage that relate to income and wealth, living conditions, education and engagement in skilled occupations. Sourced from ABS SEIFA 2016, Index of Relative Socioeconomic Advantage and Disadvantage, Census of Population and Housing.

**RTO:** Registered Training Organisation. All accredited training providers must be registered by ASQA.

**Nominal hours:** the number of hours notionally required to achieve the outcomes of units of competency. Nominal hours in Tasmania are based on those agreed in Victoria.

**Skill set:** A single unit of competency or a combination of units of competency from a training package which link to a licensing or regulatory requirement, or a defined industry need.

**IRSD:** The Index of Relative Socioeconomic Disadvantage measures the average level of disadvantage in each geographical area and measures areas from most disadvantaged to least disadvantaged.

**Non-contract training:** used in this report to mean any training that is not done under an Apprenticeship or Traineeship Training Contract

**Contract training:** used in this report to mean any training done under an Apprenticeship or Traineeship Training Contract

**Trade training:** Occupations that are classified as technicians and trade workers. Occupations are classified using the Australian and New Zealand Standard Classification of Occupations (ANZSCO). Technicians and trades workers perform a variety of skilled tasks, applying broad or in-depth technical, trade or industry specific knowledge, often in support of scientific, engineering, building and manufacturing activities.

**Non-trade training:** Occupations that are not classified as technicians and trade workers. Occupations are classified using the Australian and New Zealand Standard Classification of Occupations (ANZSCO),





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