

# 2017 RTO Census

A report prepared for Skills Tasmania

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## Executive Summary

The 2017 Skills Tasmania RTO Census was completed by 152 Registered Training Organisations (RTOs) representing 87 per cent of the vocational education and training (VET) sector providing training in Tasmania.

65 per cent of all RTOs have a permanent presence in Tasmania, with over 70 per cent employing Tasmanians. The majority of RTOs are small to medium enterprises, employing, on average, 13 workers. The majority of RTOs annual turnover for training related activity in Tasmania is between zero and \$250,000. Almost half (43 per cent) of RTO revenue is sourced from State Government funding.

The RTO sector services a range of industry sectors in Tasmania. For the industry sub-sectors experiencing either growth and/or skill shortages in Tasmania, there are a greater number of RTOs servicing the respective sectors in Tasmania than they are for other Australian states or territories. This indicates capacity of the RTO sector to be able to respond to industry demand.

The total number of enrolments in Tasmania during 2016 was 129,946. Of these, 51 per cent were enrolled in nationally recognised qualifications or courses, 18 per cent were enrolled in nationally recognised subjects or units of competency only and 14 per cent were enrolled in locally recognised skill sets.

The RTOs provided training and assessment across the state during 2016. The provision of training and assessment was reflective of the state's population distribution and indicated that training and assessment occurs in the same location and is undertaken in the same manner for respective locations. The majority of training and assessment was undertaken during workplace visits.

There are 1,718 people employed in the VET sector in Tasmania with 68 per cent of all workers being involved directly with training and assessment. Of the Tasmanian training and assessment staff, 40 per cent are male and 60 per cent are female. The majority of staff are employed on a permanent basis; 46 per cent are full time and 24 per cent are part time. The remainder are fixed term or casual. The RTO sector's workforce is ageing; 68 per cent (809 people) are aged over 45 years of age (37 per cent are aged 45 to 54 and 31 per cent 55 or older). Considerable workforce planning will need to be undertaken to address the challenges of the age profile of the RTO workforce in addition to current challenges of attracting and retaining quality trainers and assessors with relevant industry experience.

RTOs recognise that ongoing relationships with industry is key to their success. Most report that maintaining and building relationships with industry is core business and is undertaken on a day to day basis in both formal and informal ways. RTOs also acknowledge that their success is dependent on providing quality training and workforce development which exceeds the needs of industry and employers.

In terms of identifying future opportunities and intentions for their organisations, 87 per cent of RTOs have developed a strategy or business plan. Expansion of scope was considered to be the greatest opportunity for the RTOs (45 per cent), considering new geographic areas (39 per cent), offering training within the present scope (37 per cent) and providing non-accredited training (34 per cent) as well as providing fee-for-service accredited training (32 per cent) and providing online training and assessment (31 per cent). The challenges RTOs experience in delivering training in Tasmania falls into six main areas; the students themselves, employers, trainers and assessors, logistics and costs as well as the administrative and compliance requirements.

The most critical issue for the VET sector in Tasmania is the damage to the sectors reputation from constant policy and regulation changes at state and national level. This problem is exacerbated in Tasmania by confusion between the public and private providers of VET and the role of Skills Tasmania.

Other significant issues include the increasing administrative and compliance requirements, attracting and retaining quality trainers and assessors with relevant industry experience, discrepancies in the perception of competence between providers and also industry expectations as well as the ability to effectively and regularly engage with industry and employers.

In addition to funding, the RTOs believe that Skills Tasmania can provide further support to the sector through; streamlining and simplifying the administrative and compliance requirements, coordinating professional development for the RTO workforce and facilitating greater industry engagement. This role includes Skills Tasmania taking a lead role in promotion of the sector and educating employers of the importance of investing in training and workforce development, increasing the awareness of the VET system and its functions and processes.

Overall, the RTOs report an overwhelmingly positive experience with Skills Tasmania, its staff and the funding process, particularly those who work with other interstate funding bodies.

## Overview

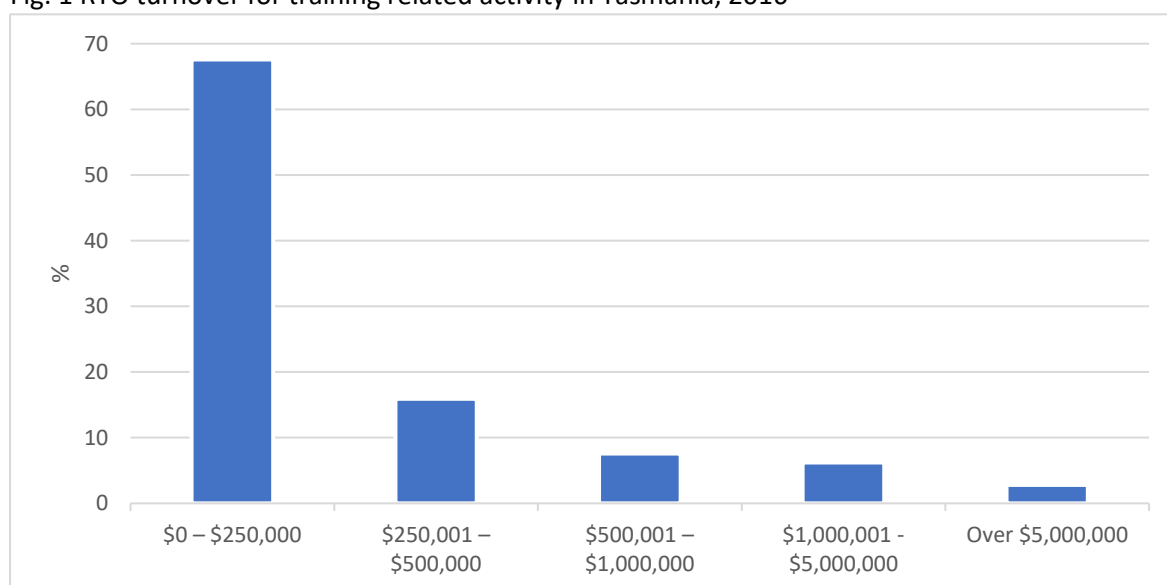
152 Registered Training Organisations (RTOs) completed the 2017 Skills Tasmania RTO Census. Of those, 43 per cent have their head office in Tasmania. Of the 86 RTOs whose head office is not in Tasmania, 34 (40 per cent) have an office or permanent presence in Tasmania. Seventy per cent of all RTOs employ Tasmanian workers.

Of the 152 RTOs who completed the census, 133 (88 per cent) are registered with Skills Tasmania as an Endorsed RTO. Of those endorsed RTOs, 112 (84 per cent) entered into a Skills Tasmania Agreement and/or received funding from Skills Tasmania during 2016.

In 2016, 18 (12 per cent) RTOs were an approved VET FEE-HELP provider<sup>1</sup> and 15 (10 per cent) were registered on CRICOS; the Commonwealth Register of Institutions and Courses for Overseas Students. In addition, 12 (8 per cent) RTOs plan to register on CRICOS within the next one to three years.

The annual turnover for the majority of RTOs (68 per cent) is between zero and \$250,000 for training related activity in Tasmania. 74 per cent of RTOs have a publicly available fee structure.

Fig. 1 RTO turnover for training related activity in Tasmania, 2016



Almost half (47 per cent) of RTOs' revenue is sourced from the Tasmanian State Government from grant funds such as User Choice, the Skills Fund, CareerStart, Training and Work Pathways Program, and/or Workforce Development Grants, almost a quarter (23 per cent) of revenue is derived from

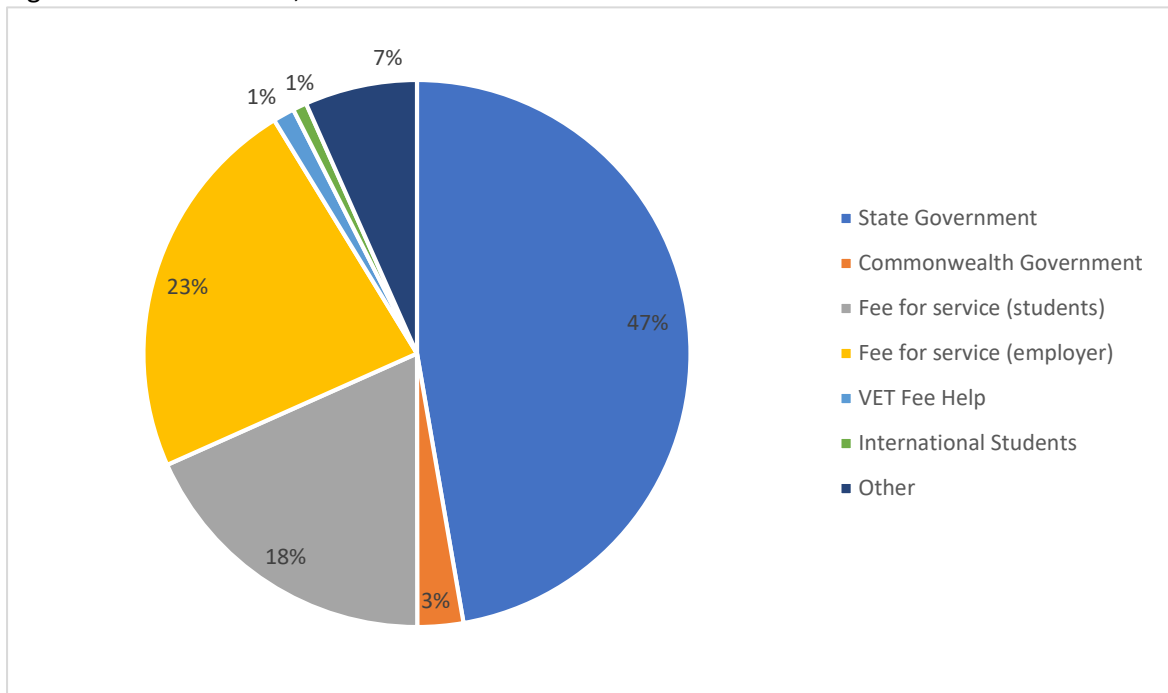
<sup>1</sup>Courses provided under VET FEE HELP in 2016

High Voltage Switching courses  
 Diploma of Business  
 Diploma of Leadership & Management  
 Diploma of Project Management  
 Advanced Diploma of Agribusiness Management  
 Diploma of Agribusiness Management  
 Diploma of Agriculture  
 Diploma of Horticulture  
 Diploma of Work Health and Safety  
 Diploma of Fitness  
 Diploma of Leadership and Management

Diploma of Nutrition (Non-Clinical Advisor)  
 Diploma of Practice Management  
 Diploma of Marketing  
 Diploma of Business Administration  
 Diploma of Project Management  
 Diploma of Sport and Recreation Management  
 Certificate IV in Fitness  
 Diploma of Hospitality  
 Diploma of Early Childhood Education and Care

services to employers on a fee-for-service basis and almost a fifth (18 per cent) is derived from fee-for-service to students for education and training provision.

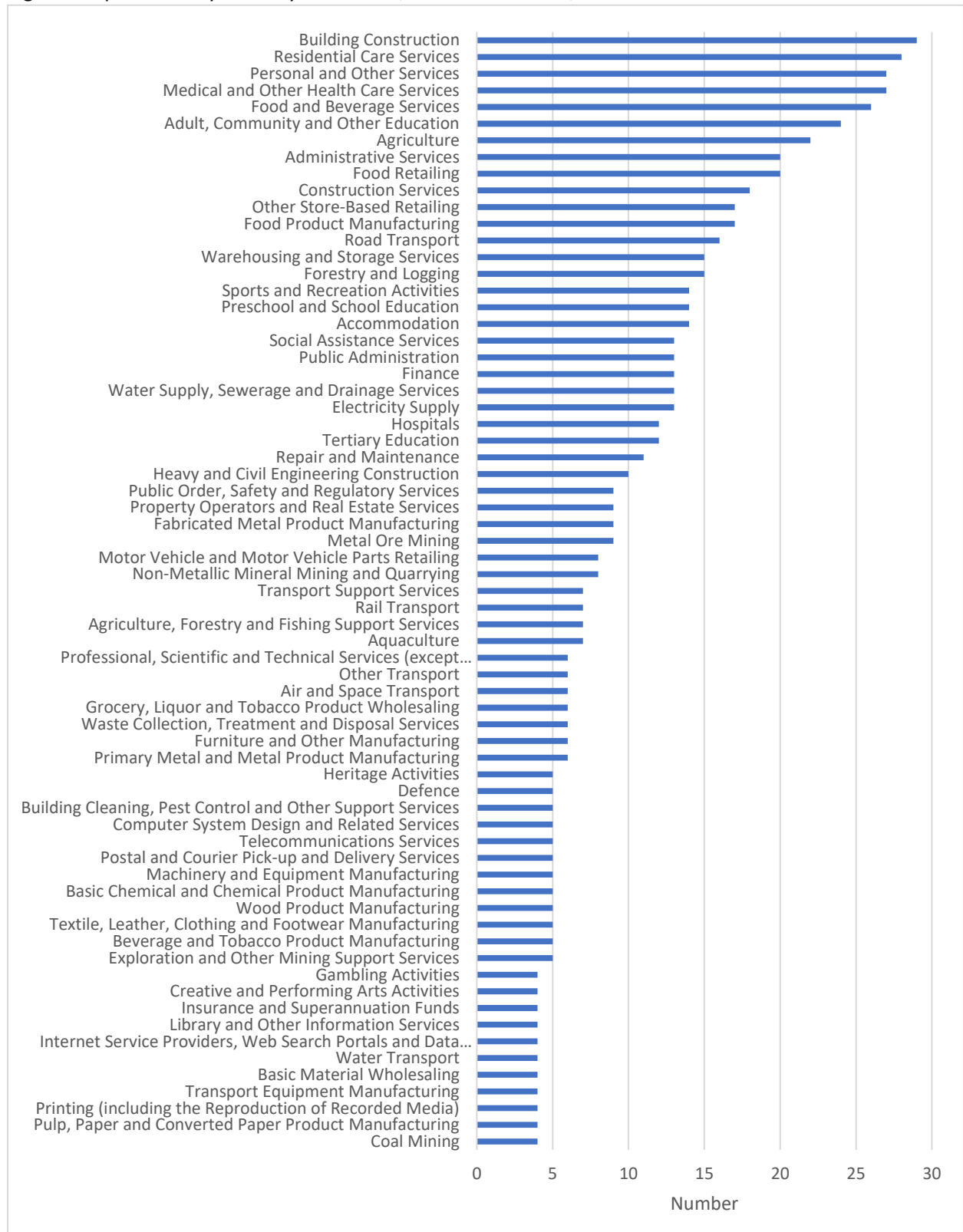
Fig 2. Source of revenue, 2016



The 152 RTOs service a range of industry sectors. For the industry sub-sectors experiencing either growth and/or skill shortages in Tasmania, there are a greater number of RTOs servicing the respective sectors in Tasmania than they are for other Australian states or territories. This indicates capacity of the RTO sector to be able to respond to industry demand. This is particularly so for the industry sub-sectors within the Agriculture, Forestry and Fishing, Building and Construction, Electricity, Gas, Water and Waste Services and Health Care and Social Assistance industry sectors with more RTOs providing training and assessment in Tasmania for their clients in respective industry sub-sectors than in Australia.

The greatest number of education and training providers in Tasmania are in building construction followed by care, personal and health services and food and beverage industry sub-sectors.

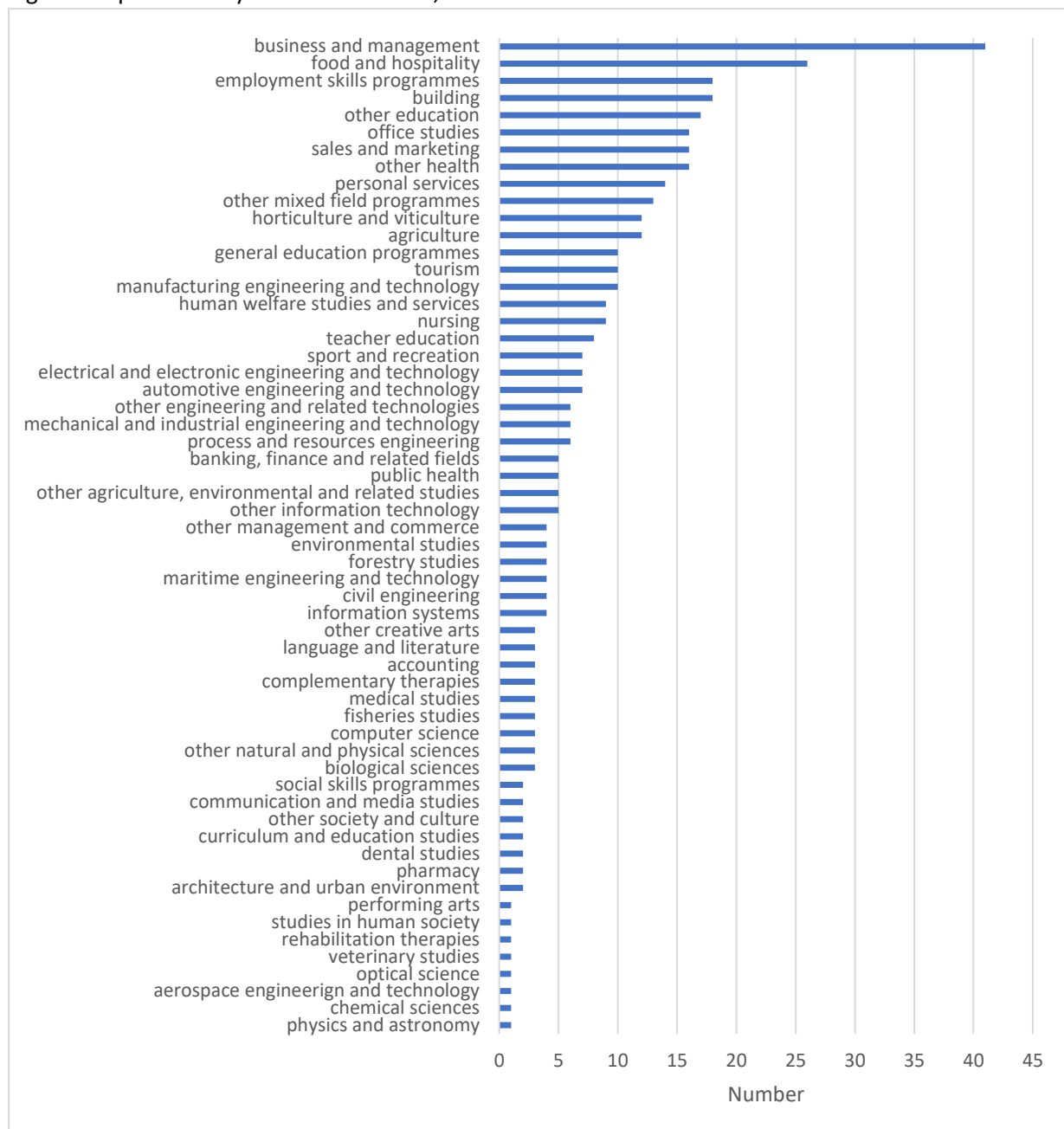
Fig 3. RTO providers by industry sub-sector, ANZSIC Division 2, 2016



See Appendix A for a breakdown of the number of providers by industry sector and sub-sector in Tasmania and Australia.

In terms of fields of education provided by the RTOs, the major areas of focus are business and management (41 providers), food and hospitality (26 providers), employment skill programmes (18 providers), building (18 providers) and other education (17 providers).

Fig 4. RTO providers by field of education, 2016



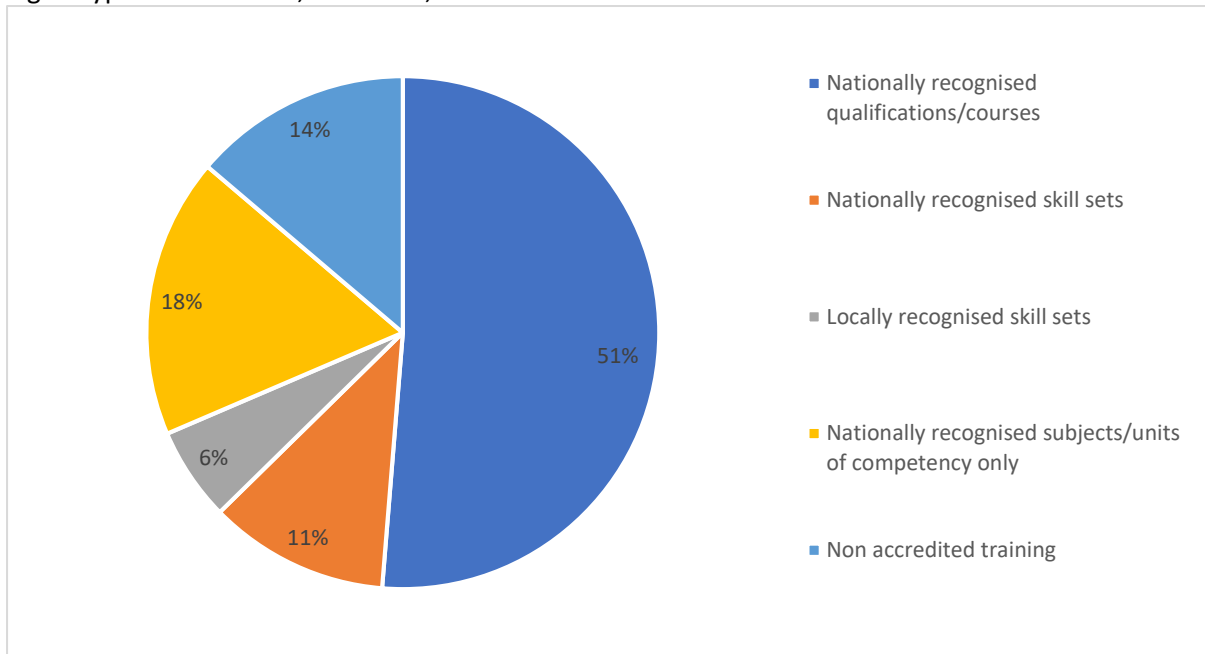
## Students

The RTOs provide education and training to a range of student types; apprentices and trainees (79 providers, 52 per cent), other workers currently employed (94 providers, 62 per cent), other students (43 providers, 28 per cent), job seekers (45 providers, 30 per cent) and other students (18 providers, 12 per cent). Other students include volunteers, prisoners, current trainers, students experiencing disadvantage, students wanting to change pathways and the self-employed.



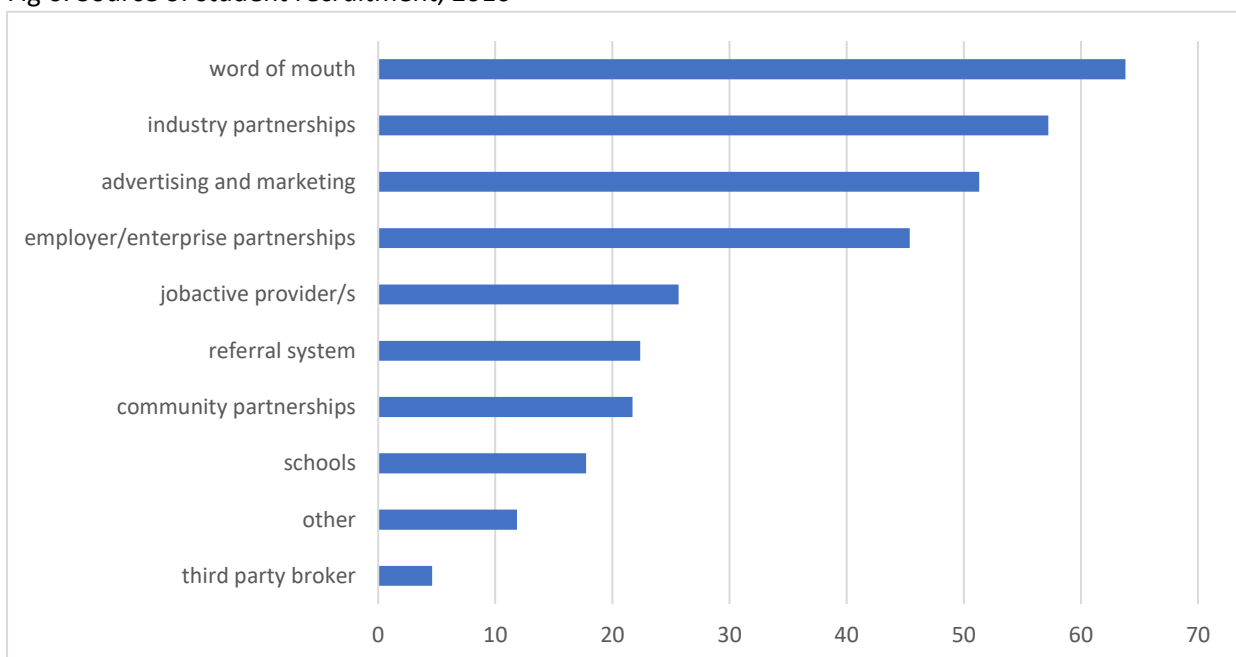
The total number of enrolments in Tasmania during 2016 was 129,946 students. Of these, 51 per cent were enrolled in nationally recognised qualifications or courses, 18 per cent were enrolled in nationally recognised subjects or units of competency only and 14 per cent were enrolled in locally recognised skill sets.

Fig 5. Type of enrolment, Tasmania, 2016



During 2016, the main source of student recruitment for RTOs was word of mouth (64 per cent), followed by industry partnerships (57 per cent), advertising and marketing (51 per cent) and employer/enterprise partnerships (45 per cent). In addition, other sources of student recruitment included apprenticeship centres and repeat clients.

Fig 6. Source of student recruitment, 2016

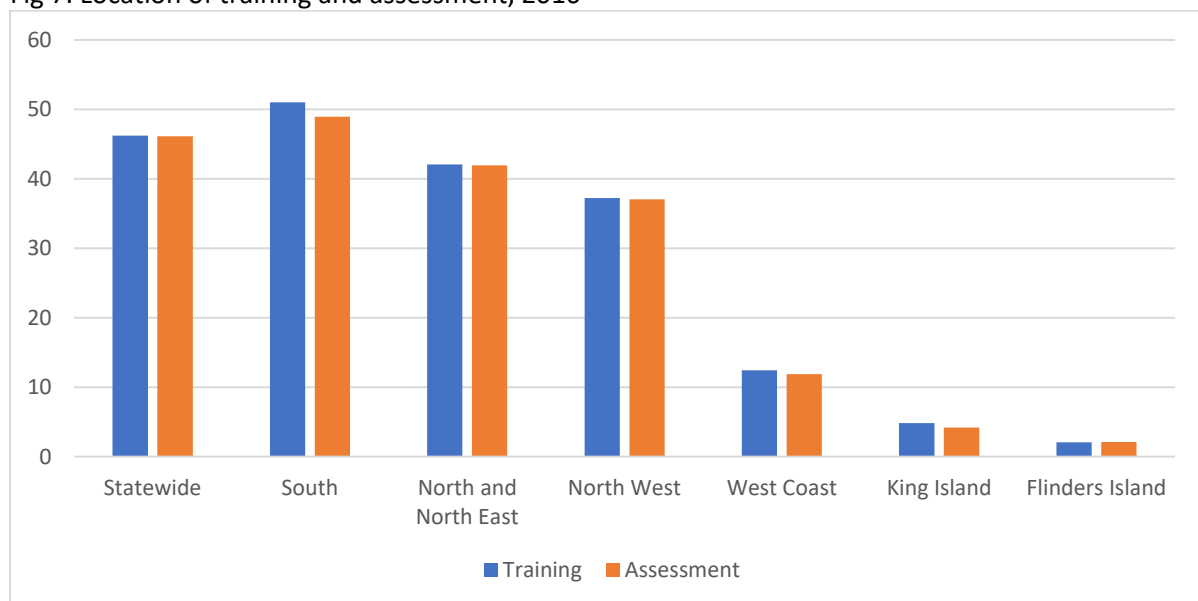


## Training and Assessment

The RTOs provided training and assessment across the state during 2016. The provision of training was consistent with population distribution with more RTOs providing training in the south of the state (51 per cent) compared with 42 per cent in the north and north east and 37 per cent in the north west. 46 per cent of the RTOs also provided training on a statewide basis.

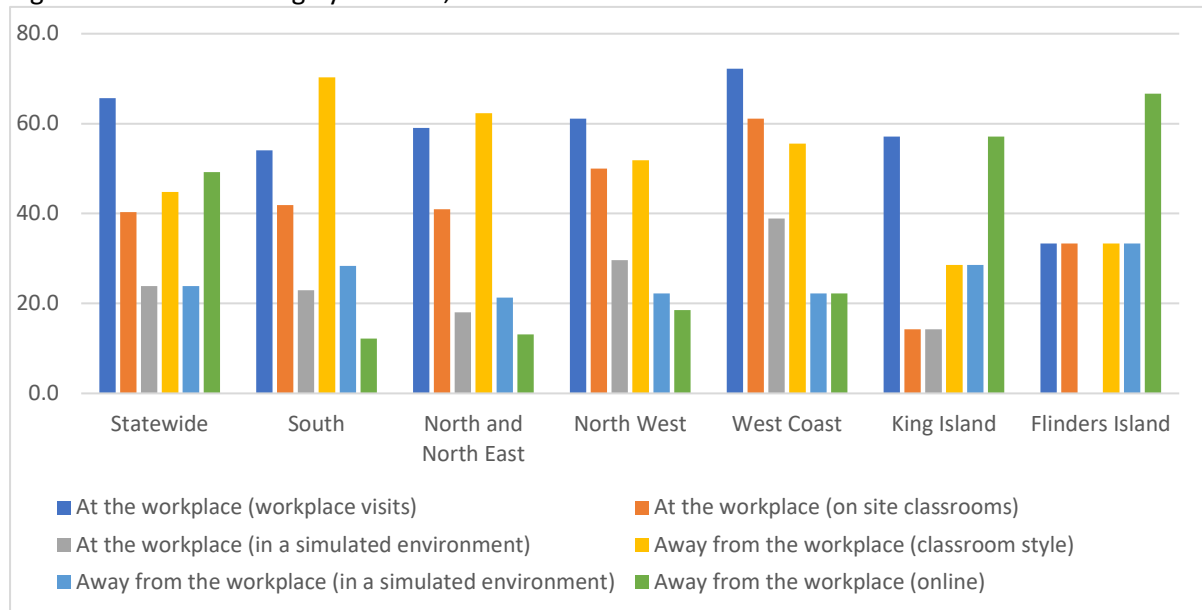
The undertaking of assessment was also consistent with population distribution and the delivery of training with more RTOs undertaking assessment in the south of the state (49 per cent) compared with 42 per cent in the north and north east and 37 per cent in the north west. 46 per cent of the RTOs also undertook assessment on a statewide basis. These findings indicate that training and assessment occurs in the same location.

Fig 7. Location of training and assessment, 2016



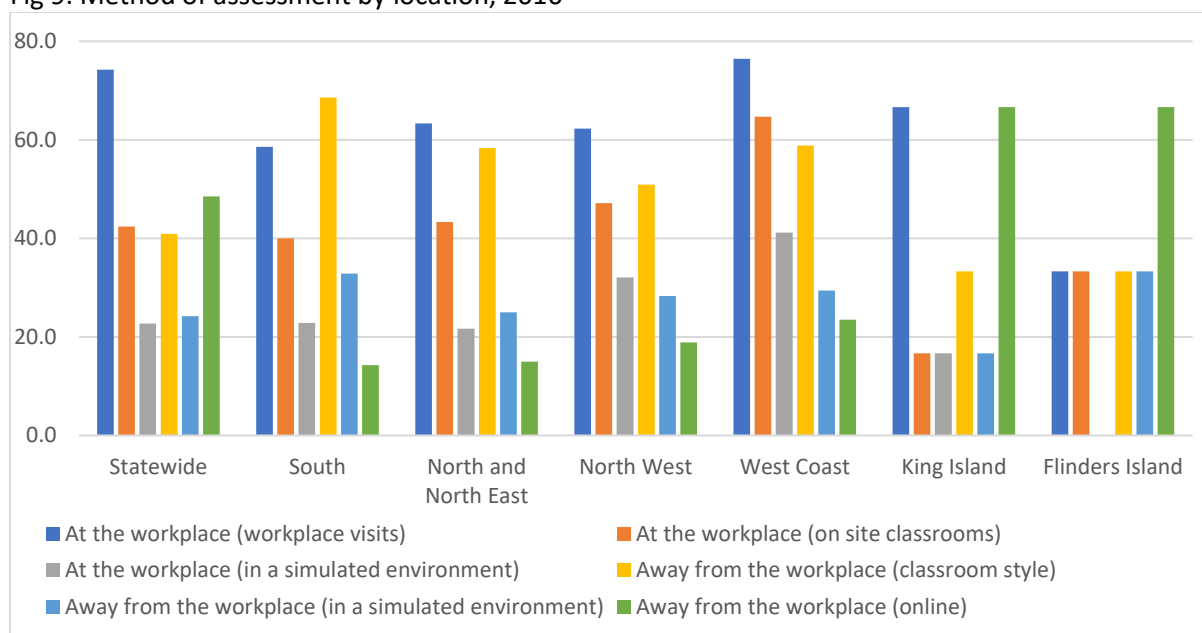
For most locations, the majority of training was provided at the workplace via workplace visits or onsite classrooms or in a classroom setting away from the workplace. Online delivery was more common for training provided on a statewide basis or to students on King or Flinders Islands.

Fig 8. Method of training by location, 2016



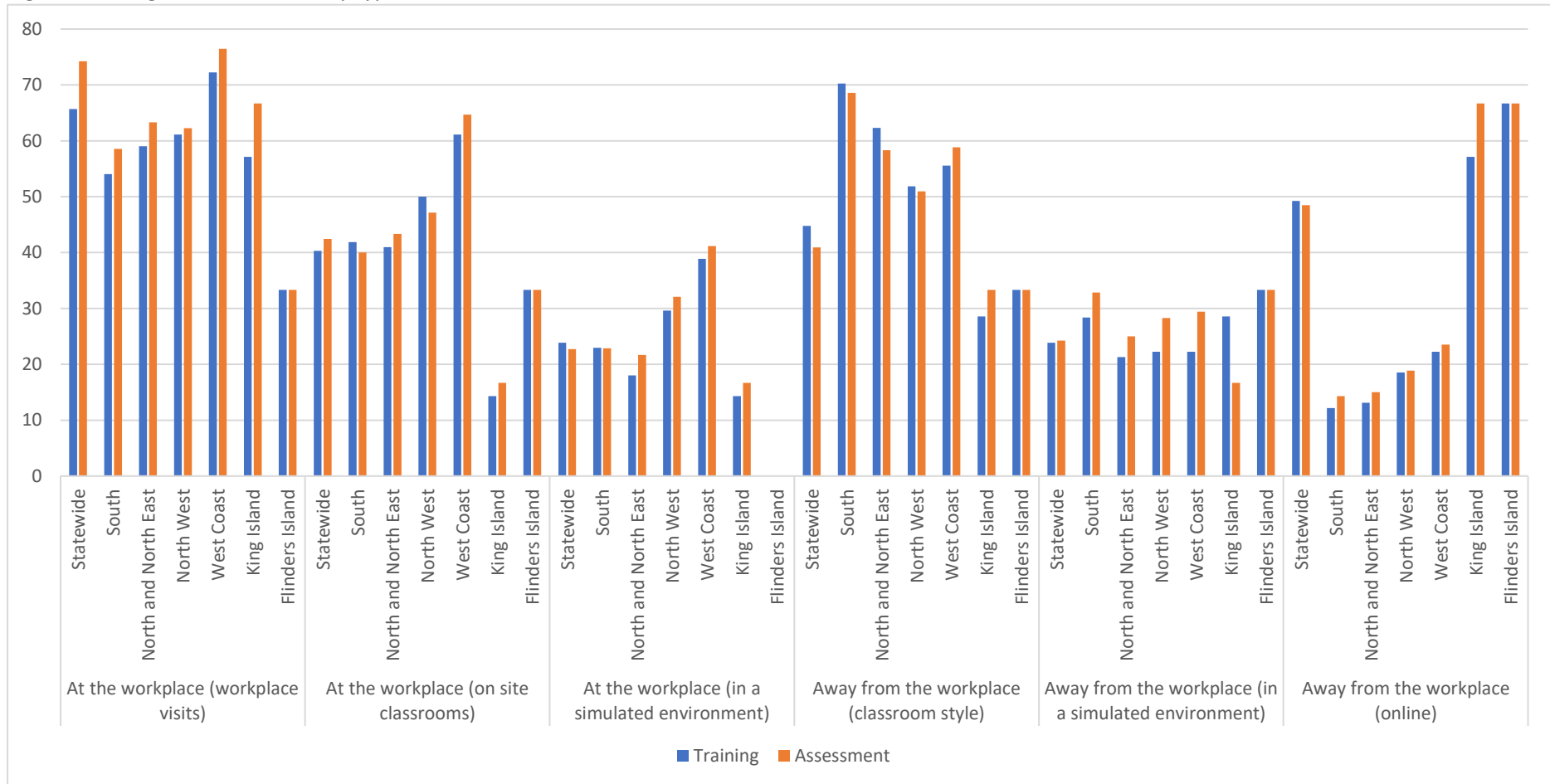
Like training provision, the majority of assessment was undertaken during workplace visits.

Fig 9. Method of assessment by location, 2016



As evident below, training and assessment is largely conducted in the same manner for respective locations.

Fig 10. Training and assessment by type and location, 2016



The challenges RTOs experience in delivering training in Tasmania falls into six main areas; the students themselves, employers, trainers and assessors, logistics and costs as well as the administrative and compliance requirements.

In Tasmania, the market for suitable potential students, including apprentices and trainees, is small and spread geographically. Potential students often have poor literacy, language and numeracy skills and low levels of educational engagement. These factors contribute to challenges to attract, engage and motivate students to attend training and commit to completion. These students require a high level of support which is both costly and timely. Often this support falls to the RTO as it is not provided by the employer or relevant government agency (eg JobActive). Students also often need to participate in pre-employment programs to prepare them for work and training.

The ability for students to participate in offsite training or to undertake training at the workplace is a considerable challenge to RTOs with employers often reluctant to release workers from their work and to provide the opportunity for students to use and practice their skills in the workplace. Of those RTOs who provide training to students other than apprentices and trainees, 53 per cent (47 providers) use work placements to support students in achieving their qualification. In terms of ease of finding work placements for the students, 54 per cent of RTOs do not find it difficult, 42 per cent find it somewhat difficult and 4 per cent find it very difficult to obtain work placements for their students. 85 per cent of the RTOs use evidence from work placements as part of the assessment process.

RTOs report a reliance of employers on funding for training rather than taking a broader approach to investing in workforce development. In addition, employers appear to have a general lack of understanding of the responsibilities involved in the provision of training and workforce development for their employees.

RTOs report difficulty in finding appropriately qualified trainers and assessors with relevant industry experience. The need to travel and deliver training flexibly also contributes to this challenge and adds to the workload of existing staff.

The geographically dispersed nature of students and workplaces provides challenges in delivering training and assessment in Tasmania for both students and trainers and assessors. The increasing demand for face-to-face training in the workplace adds to the cost of training, particularly for regional and remote locations with low student numbers. The ability to balance quality training with the cost of the delivery is very difficult.

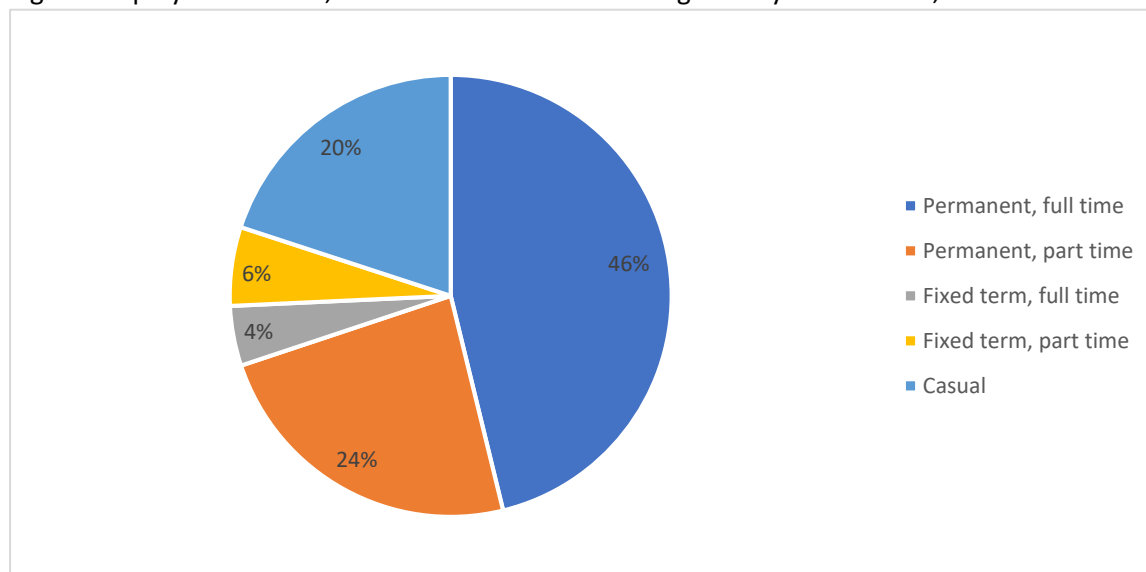
Increasing administrative and compliance reporting and continual changes to the VET requirements contribute to challenges for RTOs to deliver training.

### Staffing

The RTOs servicing Tasmania have a total number of staff of 16,066 in Australia, averaging 166 per organisation. Of these, 1,718 are employed in Tasmania (an average of 13 staff per organisation in Tasmania). In Australia, 44 per cent of the staff are directly involved in training and assessment whereas in Tasmania, 68 per cent are directly involved.

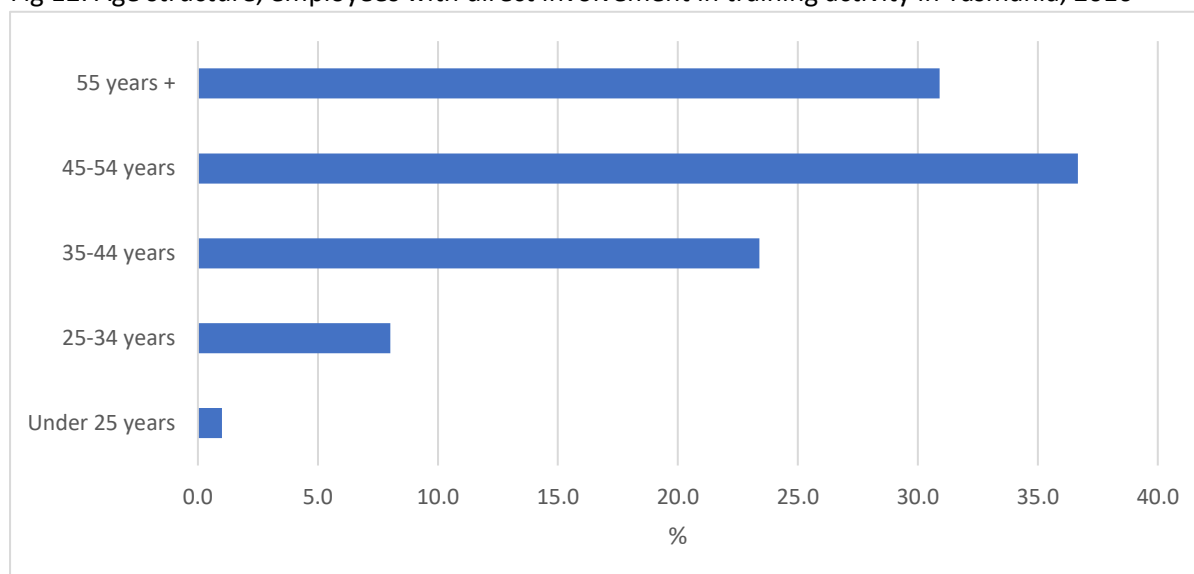
Of the Tasmanian training and assessment staff, 40 per cent are male and 60 per cent are female. The majority of staff are employed on a permanent basis; 46 per cent are full time and 24 per cent are part time. The remainder are fixed term or casual.

Fig 11. Employment status, direct involvement in training activity in Tasmania, 2016



Of the training and assessment staff in Tasmania, 68 per cent (809 people), are aged over 45 years of age; 37 per cent are aged 45 to 54 and 31 per cent 55 or older. 23 per cent are aged between 35 and 44 and eight per cent are aged between 25 and 34. One per cent of training and assessment staff are aged less than 25 years of age.

Fig 12. Age structure, employees with direct involvement in training activity in Tasmania, 2016

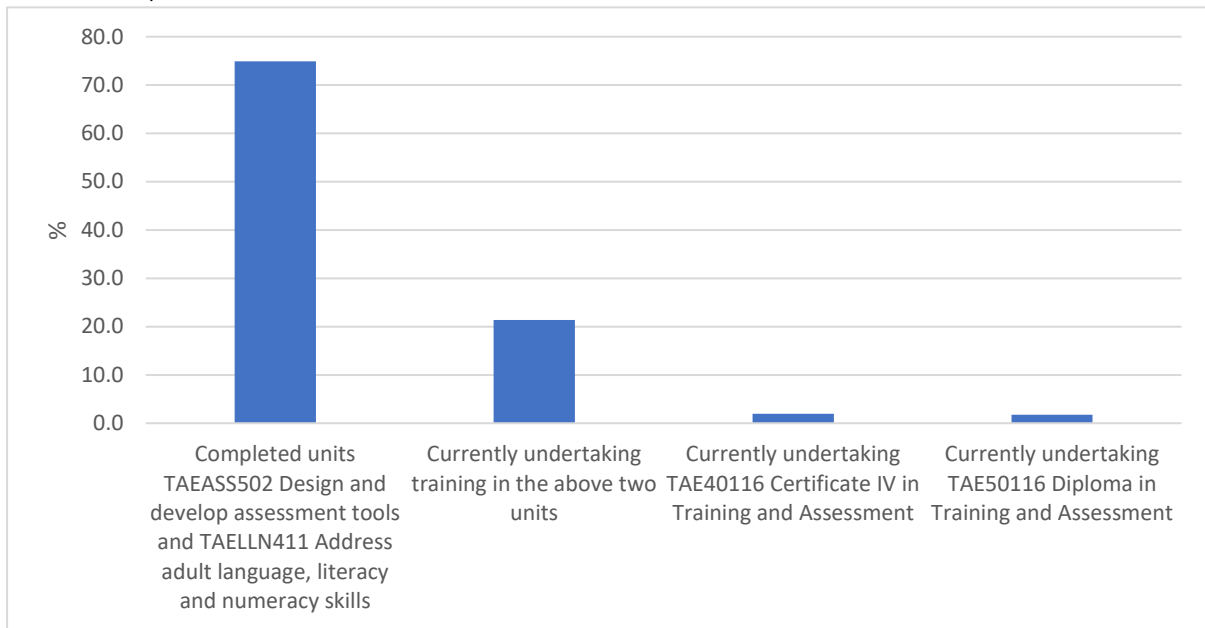


The majority of staff involved directly in training activity in Tasmania (75 per cent) have completed units TAEASS502 (design and develop assessment tools) and TAELLN411 (address adult language, literacy and numeracy skills). In addition, 21 per cent are currently undertaking the units<sup>2</sup>. Two per cent are currently undertaking Certificate IV or Diploma in Training and Assessment.<sup>3</sup>

<sup>2</sup> TasTAFE provided the following comments in relation to the new TAE units and the Certificate IV and Diploma in Training and Assessment. The new units are core in the new qualification, however it is unlikely that anyone has completed it yet as only a small number of RTOs are registered to deliver it nationally and completion would not be possible in the timeframe.

<sup>3</sup> Given diploma qualifications are not required to be reported to ASQA, TasTAFE does not collect the requested information.

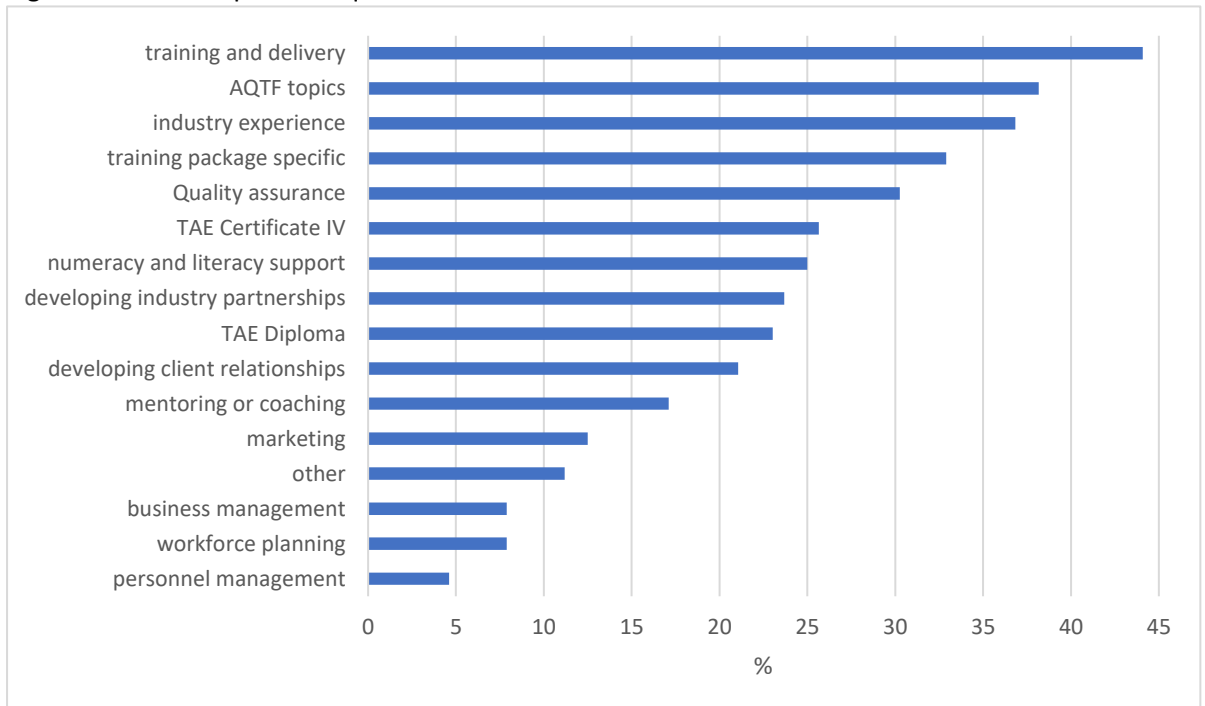
Fig 13. Status of training and assessment qualifications, staff directly involvement in training activity in Tasmania, 2016



Over the next 12 months, training and delivery is identified as the area in greatest need of workforce development by 44 per cent of RTOs, followed by AQTF topics (38 per cent), industry experience (37 per cent), training package specifics (33 per cent) and quality assurance (30 per cent).

Other areas for staff workforce development support identified include diversity training, ICT, professional learning, first aid, industry updates and TAE.

Fig 14. Staff development requirements over next 12 months

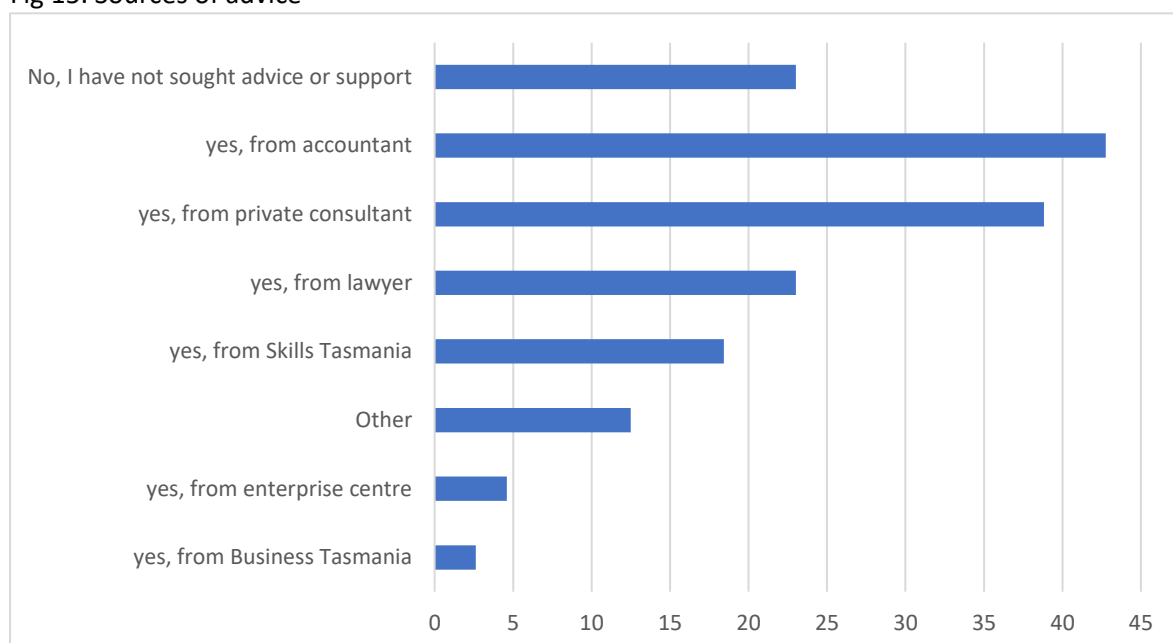


In terms of investment in workforce development and training, 42 per cent of the RTOs (61 providers) commit less than five per cent of their annual turnover to staff development, 26 per cent invest between five and ten per cent and 18 per cent were not aware of the level of investment in workforce development by their organisation.

### Future Direction

In terms of identifying future opportunities and intentions for their organisations, 87 per cent of RTOS have developed a strategy or business plan. Eight per cent do not have a business plan and 5 per cent are not sure. In identifying future opportunities, 23 per cent have not sought advice or support, however 43 per cent have sought advice from an accountant, 39 per cent from a private consultant and 23 per cent from a lawyer. Other sources of advice included ACPET, board of directors, industry associations, Jobs Australia, ASQA, other RTOs and Government agencies such as the Tasmanian Departments of Education, Justice and State Growth.

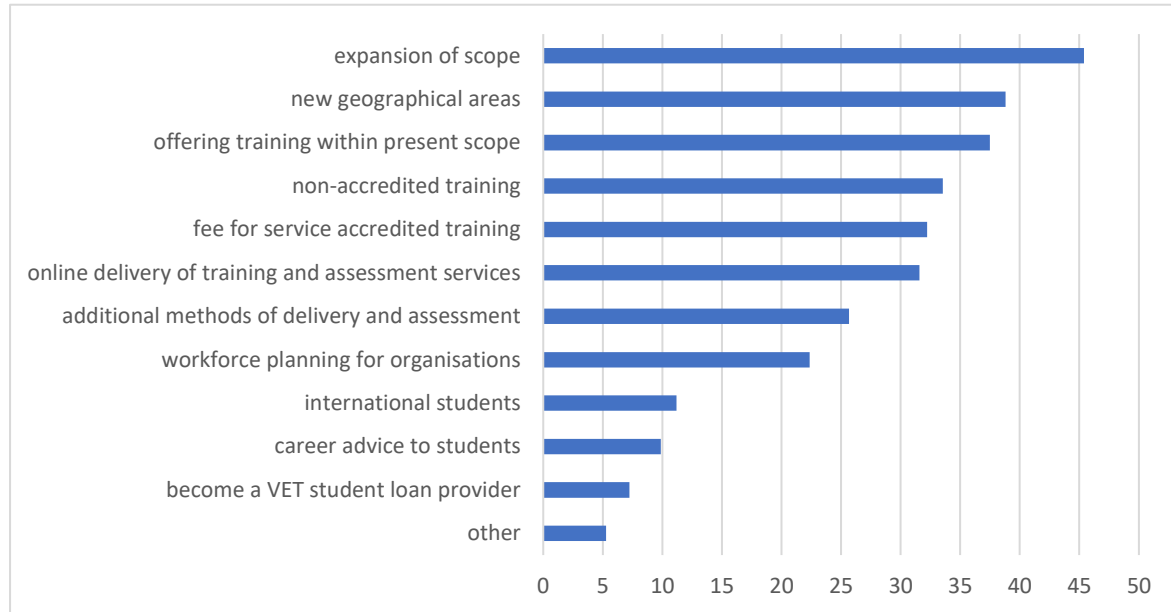
Fig 15. Sources of advice



Expansion of scope was considered to be the greatest opportunity for the RTOs (45 per cent), considering new geographic areas (39 per cent), offering training within the present scope (37 per cent) and providing non-accredited training (34 per cent) as well as providing fee-for-service accredited training (32 per cent) and providing online training and assessment (31 per cent). Other opportunities included developing partnerships with industry and other stakeholders.



Fig 16. Type of expansion opportunities



### Relationship with Industry

RTOs recognise that ongoing relationships with industry is key to their success. Most report that maintaining and building relationships with industry is core business and is undertaken on a day to day basis in both formal and informal ways. RTOs also acknowledge that their success is dependent on providing quality training and workforce development which exceeds the needs of industry and employers.

Relationships with industry are based on partnerships and include membership of industry associations and professional organisations as well as representation on associations and committees at a state or national level. Ongoing engagement with other key stakeholders e.g. licencing boards, regulators, government agencies etc is also important. Engagement includes attendance at conferences, forums and seminars, networking events, industry days and visits and developing MoUs with strategic partners.

Many RTOs employ client relationship managers or business development officers (or similar) to ensure successful strong partnership are developed with industry and employers. Their role is to support trainers and assessors develop strong relationships with employers to ensure training delivery meets need.

RTOs maintain their relevance with industry through these relationships and ensuring they have a good understanding of the broader opportunities and issues for each industry so they can be responsive to workforce development requirements. While RTOs engage with Skills Service Organisations (SSOs) they report little value is achieved. In addition, trainers are often employed within the industry as well, which enables currency of workforce requirements to be known. Where employment in the industry is not possible, return to industry programs and placements are also offered for staff.

The greatest barrier for RTOs in building relationships with industry is time and resources from both the RTO and industry or enterprise perspective. Time and cost pressures of day to day business impact the ability to participate in networking or face-to-face meetings which help establish and

maintain relationships. In addition, the complexity of the VET system, administration and compliance requirements and constant change in policy and regulation impact on the reputation of the sector and deter industry from engaging in VET.

The increasing competition in the sector is leading to market saturation for servicing some industry sectors which leads to low cost and low quality training and a resulting lack of confidence in VET. There is also a lack of understanding within industry between Skills Tasmania, TasTAFE and VET, with many employers believing they are synonymous.

The RTOs also report that training and workforce development has a low priority with industry but high expectations of standard of competence.

### Important Issues for VET in Tasmania

The most critical issue for the VET sector in Tasmania is the damage to the sectors reputation from constant policy and regulation changes at state and national level. These changes and uncertainty has resulted in a lack of confidence in the sector by industry and employers, impacting student experience, outcomes and the ability to meet employment and skill demand. This problem is exacerbated in Tasmania by confusion between the public and private providers of VET and the role of Skills Tasmania.

The increasing administrative requirements and compliance reporting reduce the efficiency and productivity of the RTO sector and compromise the time and investment in delivering quality training and workforce development. The inconsistency of the funding application processes and timing prevents longer term forward planning for the VET sector and limits the ability of the RTOs to be responsive to industry demand; rolling intakes rather than set rounds may assist overcome this challenge.

Consistently challenging for the sector is the ability to attract and retain quality trainers and assessors with relevant industry experience. RTOs needs to sustain dual capacity in both the VET sector and the underpinning industries they serve. Trainers and assessors are on at least their second career pathway having gained relevant experience and knowledge working in their underpinning career. Greater effort needs to be provided to professional development opportunities for the RTO workforce.

Discrepancies in the perception of competence between providers and also industry expectations of standard compared with the training package is an ongoing issue in the sector. Validation and moderation of assessment is required with industry involvement.

Finally, the Tasmanian economy and the small, geographically dispersed market threatens the viability of the sector, particularly with increasing administrative requirements, increasing costs of delivery and uncertain funding arrangements.

### Role of Skills Tasmania

In addition to funding, the RTOs believe that Skills Tasmania can provide further support to the sector through; streamlining and simplifying the administrative and compliance requirements, coordinating professional development for the RTO workforce and facilitating greater industry engagement.

The RTOs report that the increasing administrative and compliance requirements of the VET sector is detrimental to the overall performance of the sector. The VET sector would like consistent application mechanisms for funding, including a quicker turnaround and consideration of greater

flexibility for funding as well as over a longer timeframe to enable greater forward planning for training and workforce development.

The sector would like Skills Tasmania to lead the organisation of greater professional development opportunities for the RTO workforce through forums, workshops, seminars etc. on a range of topics for best practice in the sector as well as with industry relevance. Literacy, language and numeracy was identified as a key issue which prevents student engagement and completion. Professional development in delivering LLN skills is a critical issue for all RTO staff.

The VET sector also sees a role for Skills Tasmania in facilitating greater engagement between the sector and industry and employers. This would enable the sector to focus on meeting the training and workforce development needs of industry more effectively. This focus should enable the opportunity to pilot new and innovative ways to achieve workforce development needs and outcomes which focus on skill transfer and implementation rather than just funding and qualifications.

This role includes Skills Tasmania taking a lead role in promotion of the sector and educating employers of the importance of investing in training and workforce development, increasing the awareness of the VET system and its functions and processes.

Overall, the RTOs report an overwhelmingly positive experience with Skills Tasmania, its staff and the funding process, particularly those who work with other interstate funding bodies.

## Recommendations

Based on the findings of the 2017 Skills Tasmania RTO Census, the following recommendations are provided for consideration by the Department of State Growth<sup>4</sup>.

1. Establish an education, awareness and promotion communication program in relation to vocational education and training in Tasmania. The program should be targeted at industry, employers and users with the following objectives:
  - a. To restore confidence in the VET sector in Tasmania by industry, employers and current and prospective students
  - b. Clarify the role of the public and private providers of vocational education and training and the role of Skills Tasmania
  - c. Outline the opportunities associated with participating in vocational education and training for all stakeholders, including their respective roles and responsibilities.
2. Review the administrative and compliance reporting requirements of both RTOs and employers with a view to streamlining and simplifying the processes, including improving consistency with funding applications.
3. Support the development and implementation of a comprehensive workforce development plan for the VET sector in Tasmania. The plan should include the following objectives:
  - a. Establish a Community of Practice for best practice in the VET sector
  - b. Develop strategies to attract and retain trainers and assessors with relevant industry experience
  - c. Facilitate professional development opportunities for the VET workforce
  - d. Provide literacy, language and numeracy training support and professional development to the VET workforce
4. Develop a framework for ensuring flexible and quality delivery of training and assessment to ensure consistency in competence. The framework should include the following objectives:
  - a. That training is responsive to need and meets industry standard
  - b. Provide a system for validation and moderation of assessment
  - c. Commitment to workplace access to deliver training and implementation of skill development
  - d. Consideration of a rolling intake for at least one funding stream
  - e. Provision to support unaccredited training
  - f. Provision to pilot innovative approaches to training and workforce development
5. Develop a program to facilitate greater industry engagement between VET providers, industry, employers and other stakeholders. To achieve this, Skills Tasmania should consider the establishment of an advisory panel between industry and RTOs building on the success of the strategic industry partnerships to inform the industry engagement program. The advisory panel should be solutions oriented and be informed by stakeholder demand<sup>5</sup>. Formal industry

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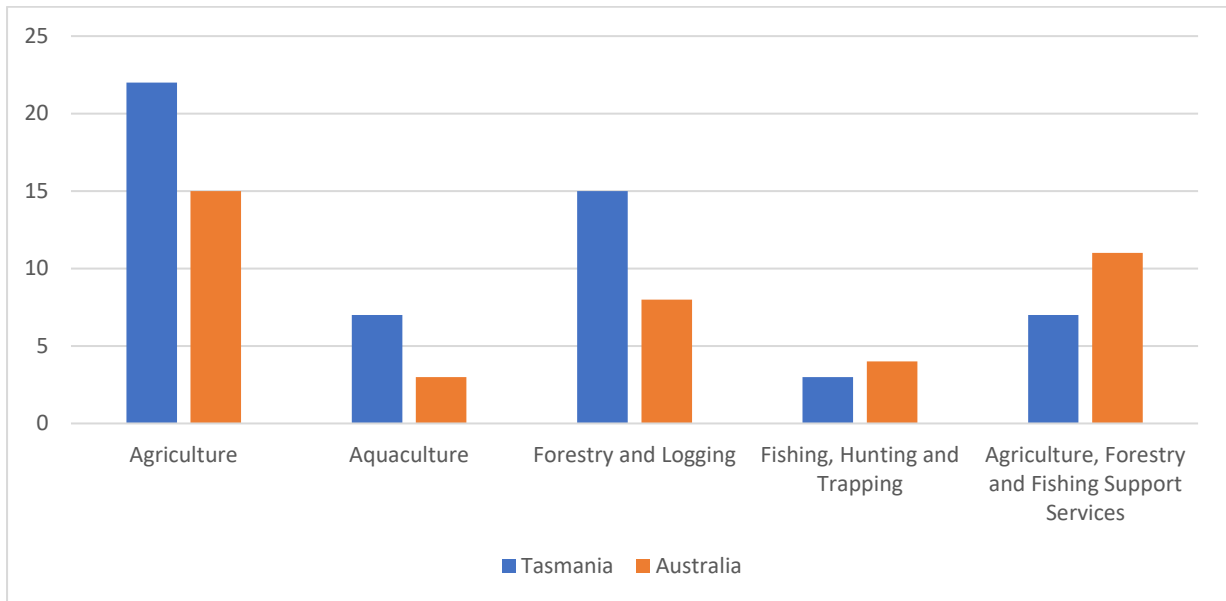
<sup>4</sup> In this context, the recommendations should not be considered in isolation and deliberation should also be provided to other Tasmanian Government policies and objectives.

<sup>5</sup> The first objective of the advisory panel could be to consider and advise Skills Tasmania on recommendation 4; Develop a framework for ensuring flexible and quality delivery of training and assessment to ensure consistency in competence

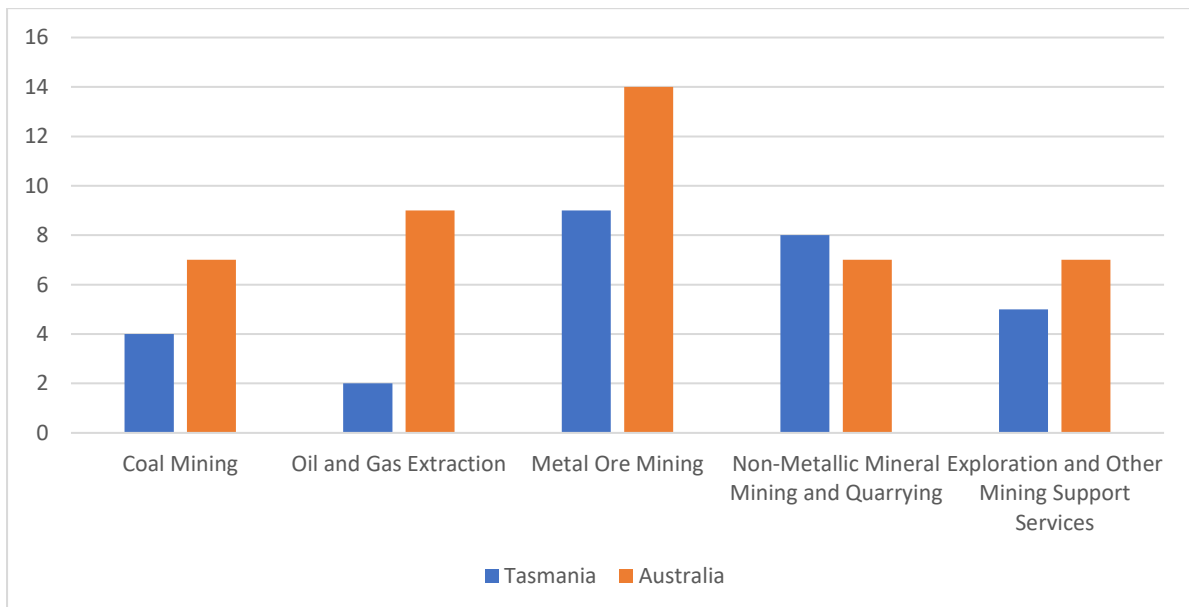
engagement and reporting will ensure that VET funding in Tasmania is informed by industry demand, improves productivity and creates employment opportunities for Tasmanians.

## Appendix A

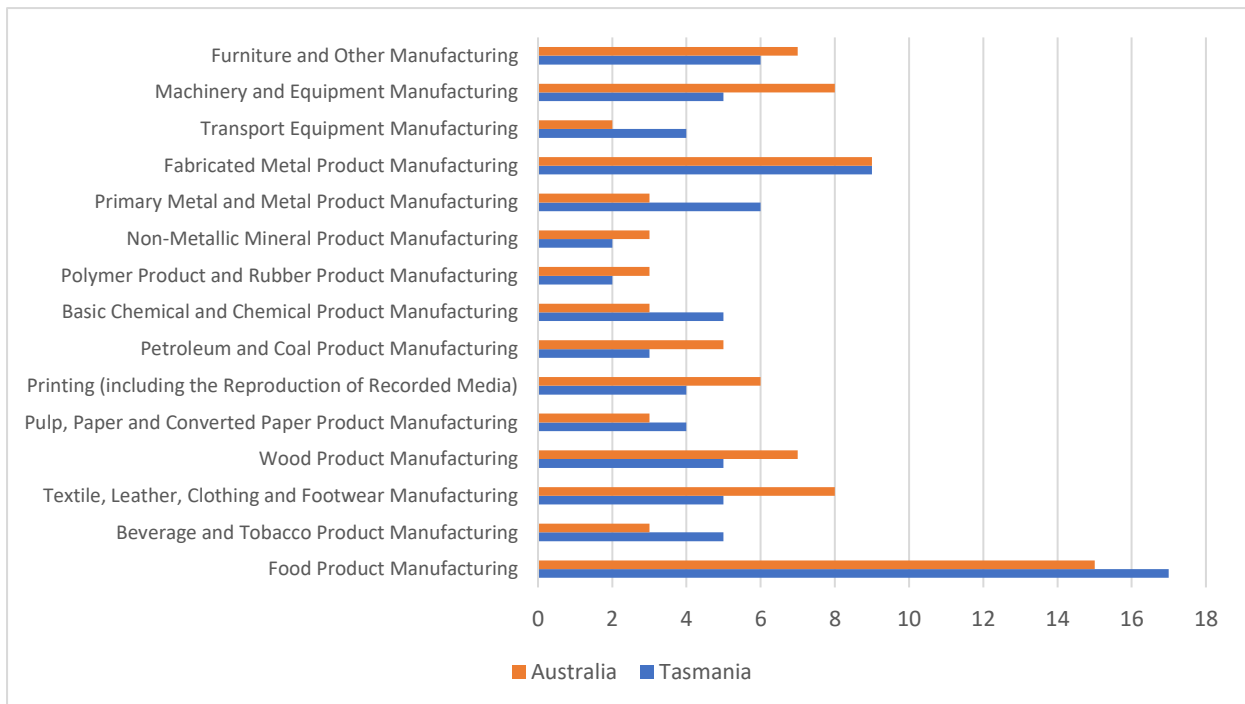
### Agriculture, Forestry and Fishing



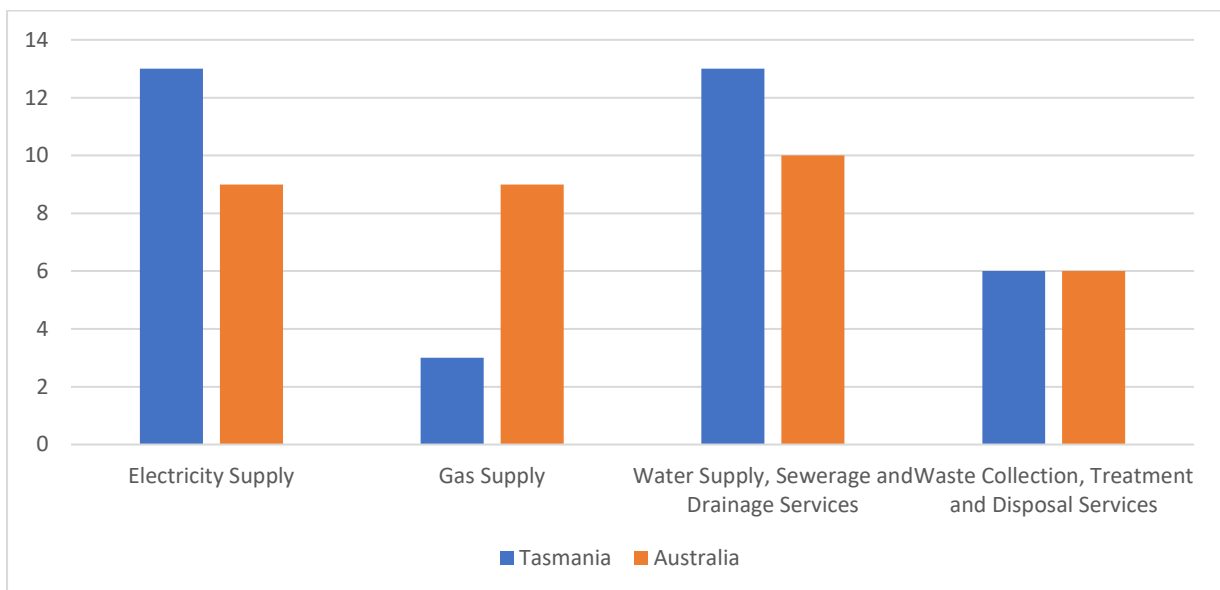
### Mining



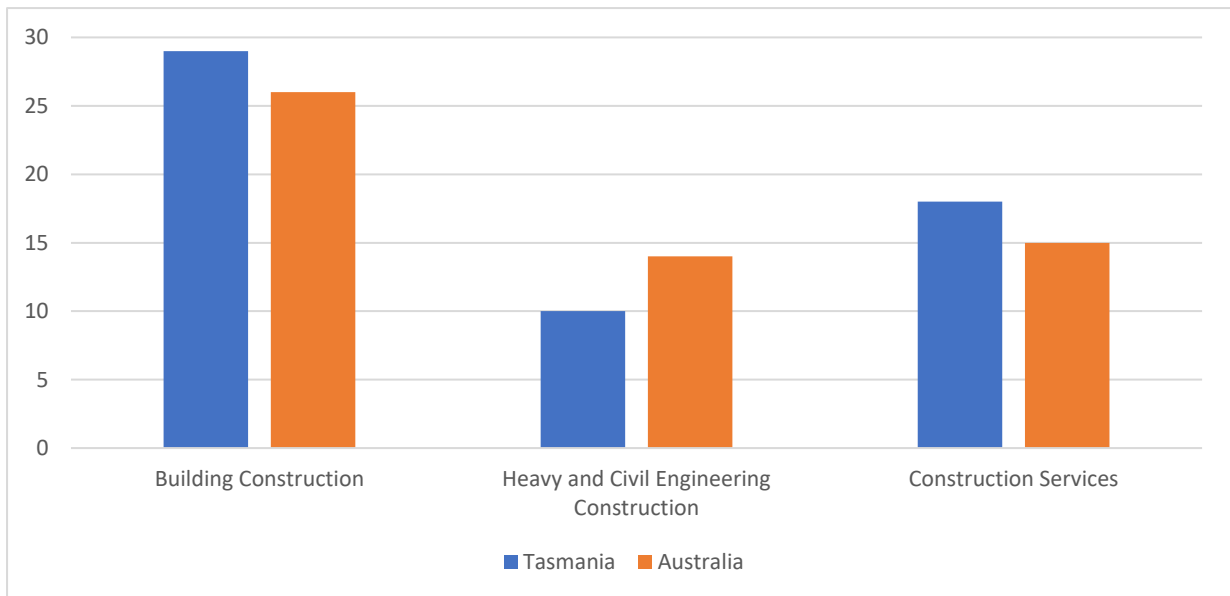
## Manufacturing



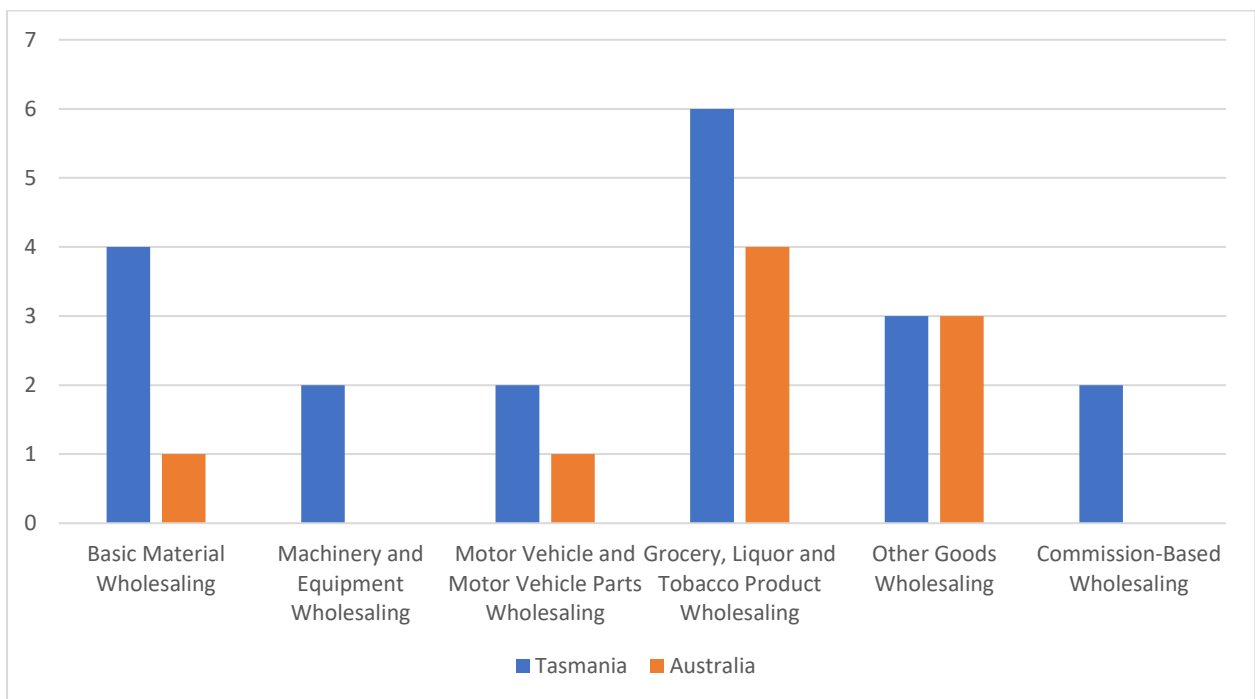
## Electricity, Gas, Water and Waste Services



## Building and Construction

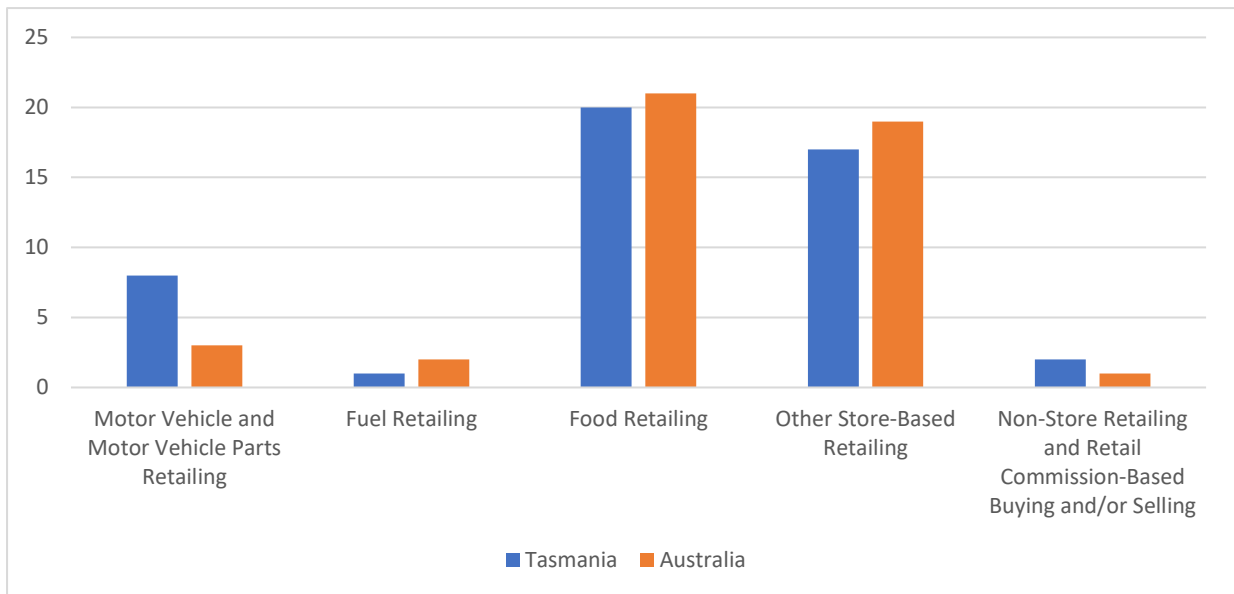


## Wholesale Trade

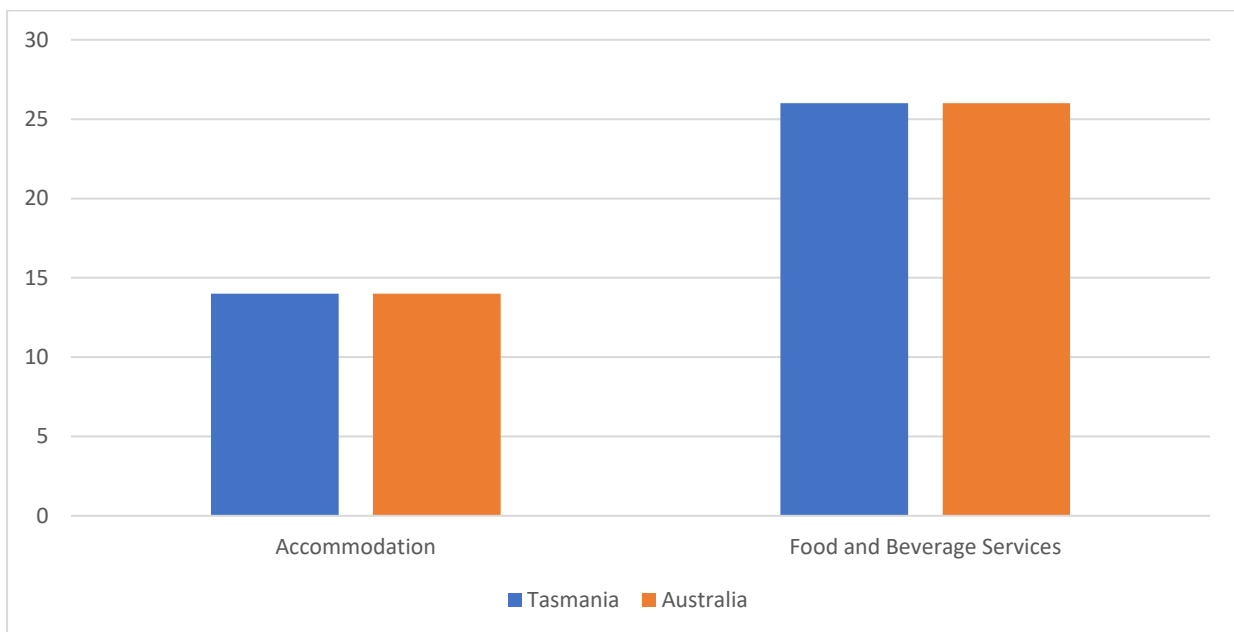




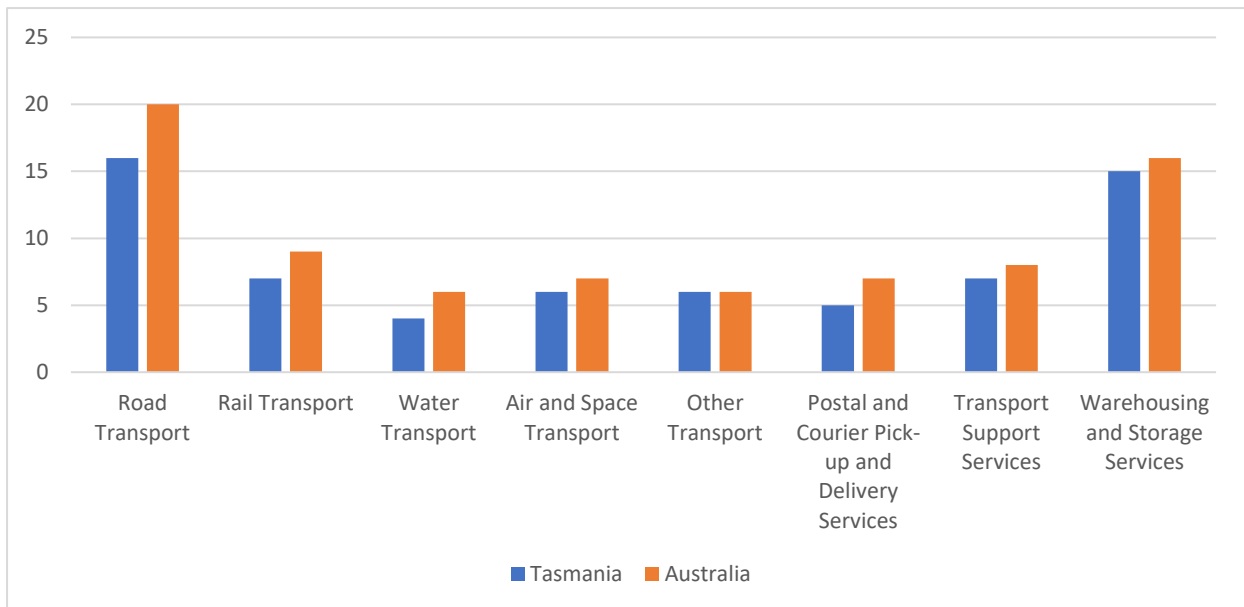
## Retail Trade



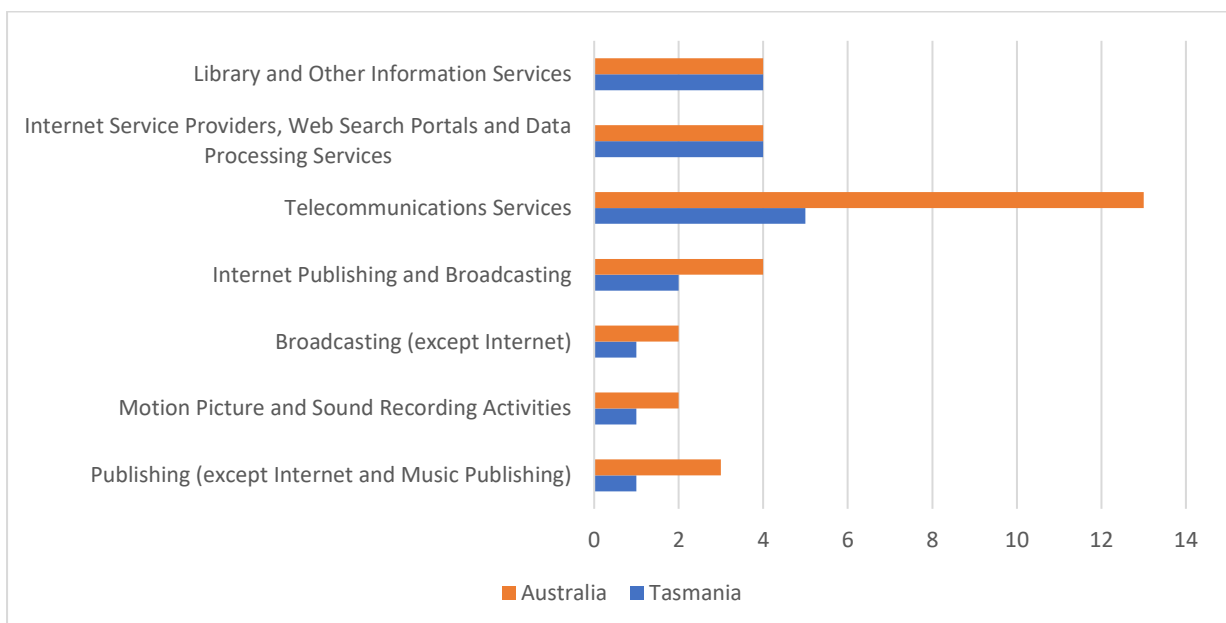
## Accommodation and Food Services



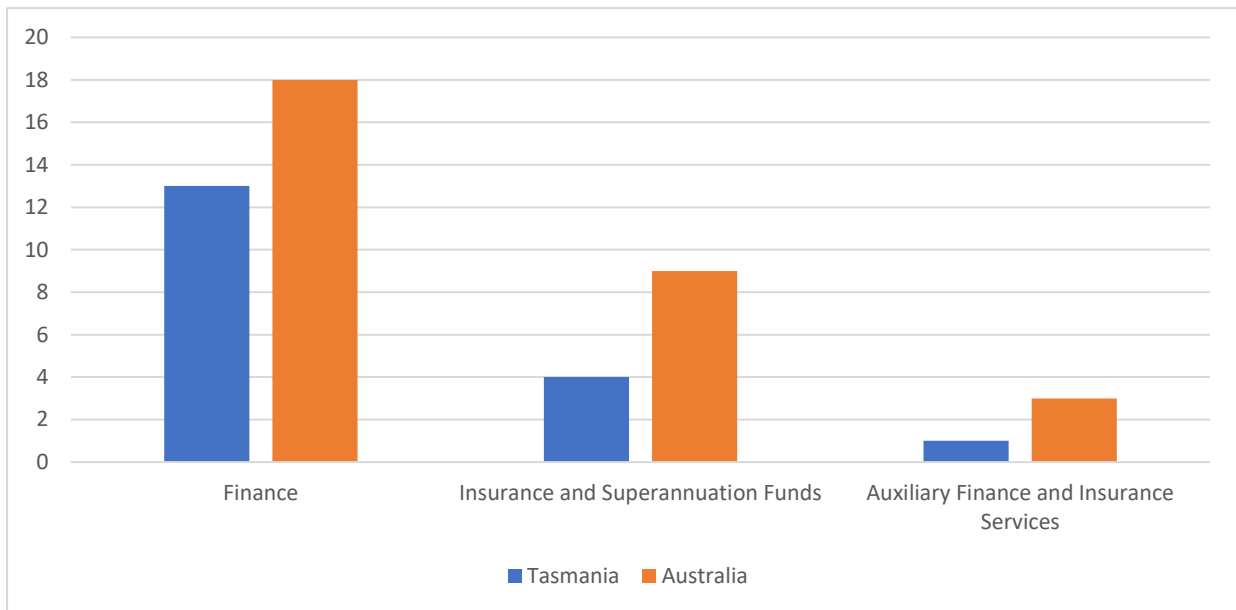
## Transport, Postal and Warehousing



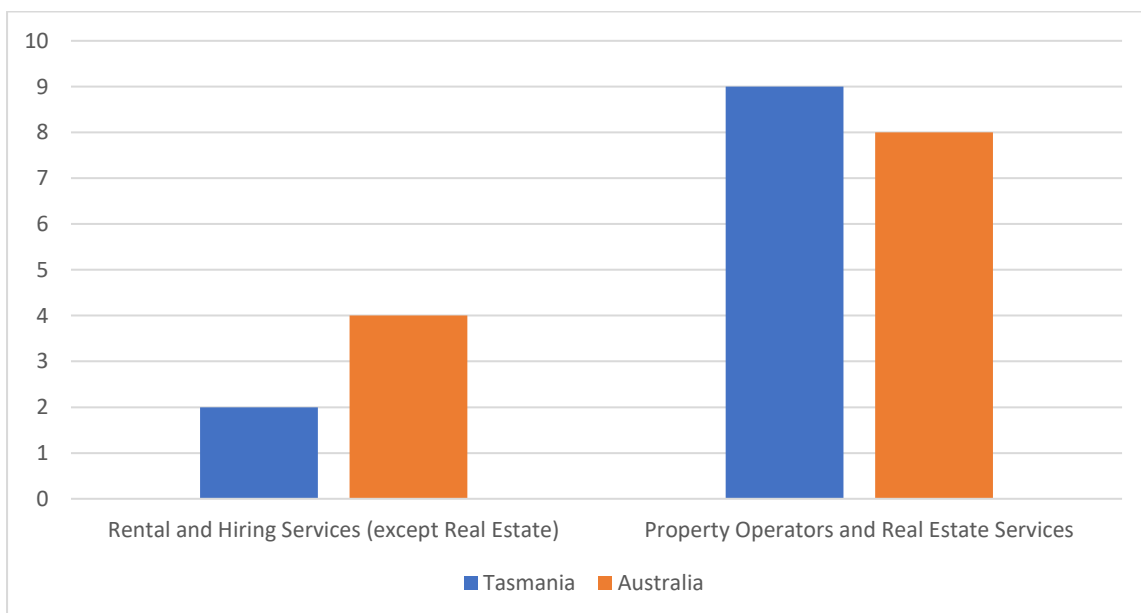
## Information Media and Telecommunications



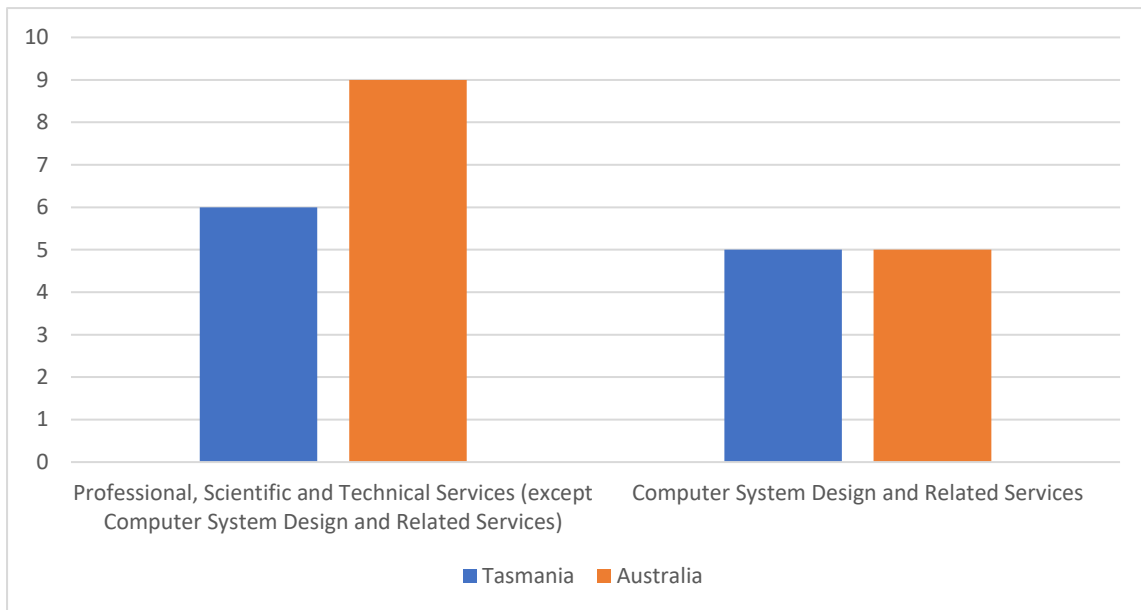
## Finance and Insurance



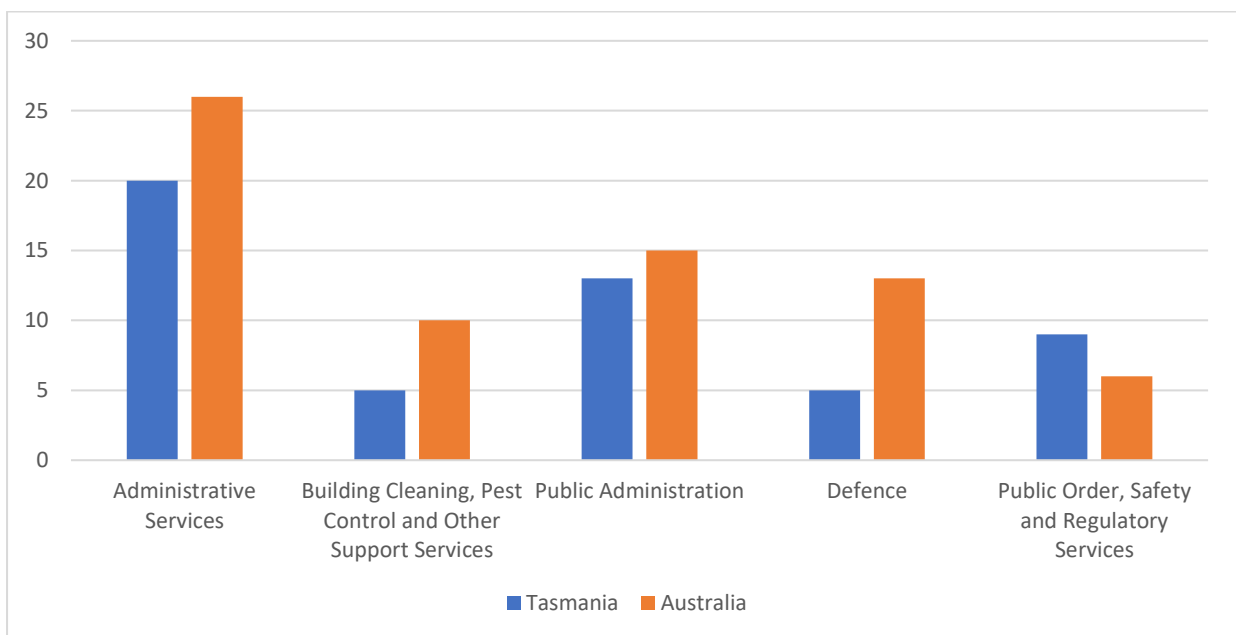
## Rental, Hiring and Real Estate Services



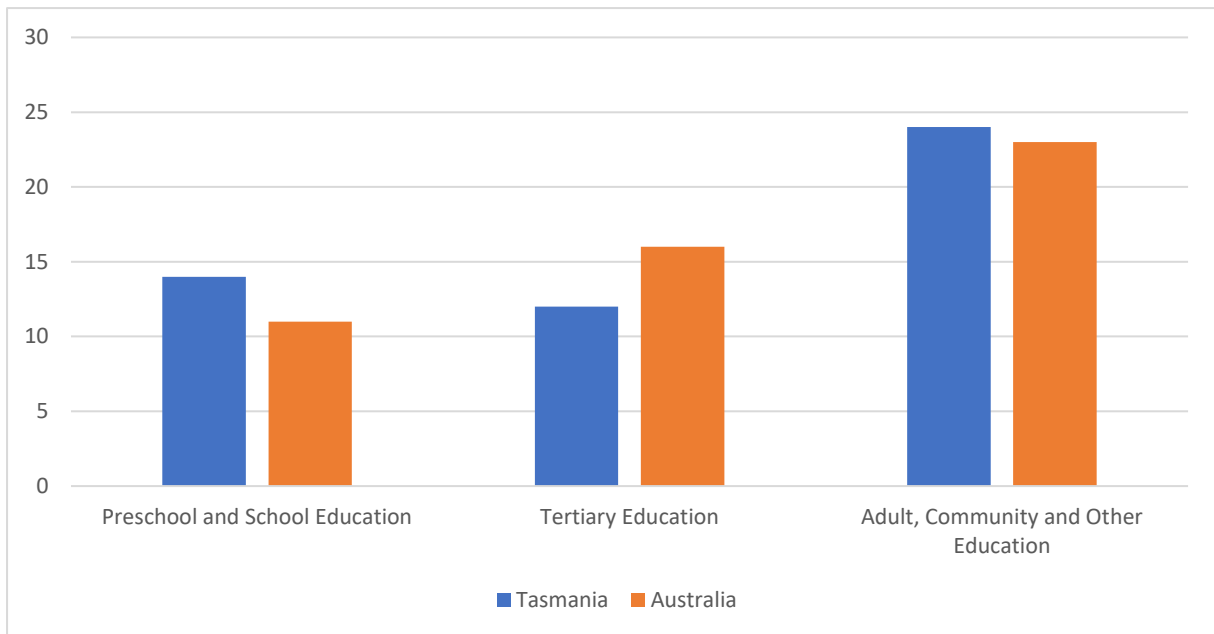
### Professional, Scientific and Technical Services



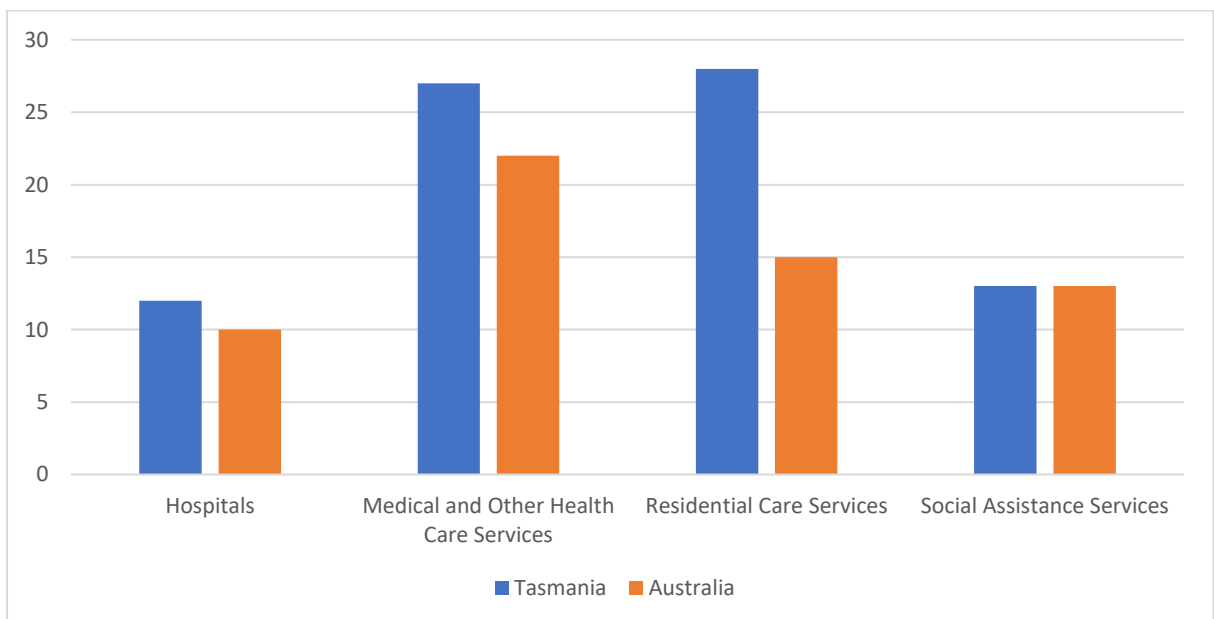
### Administrative and Support Services



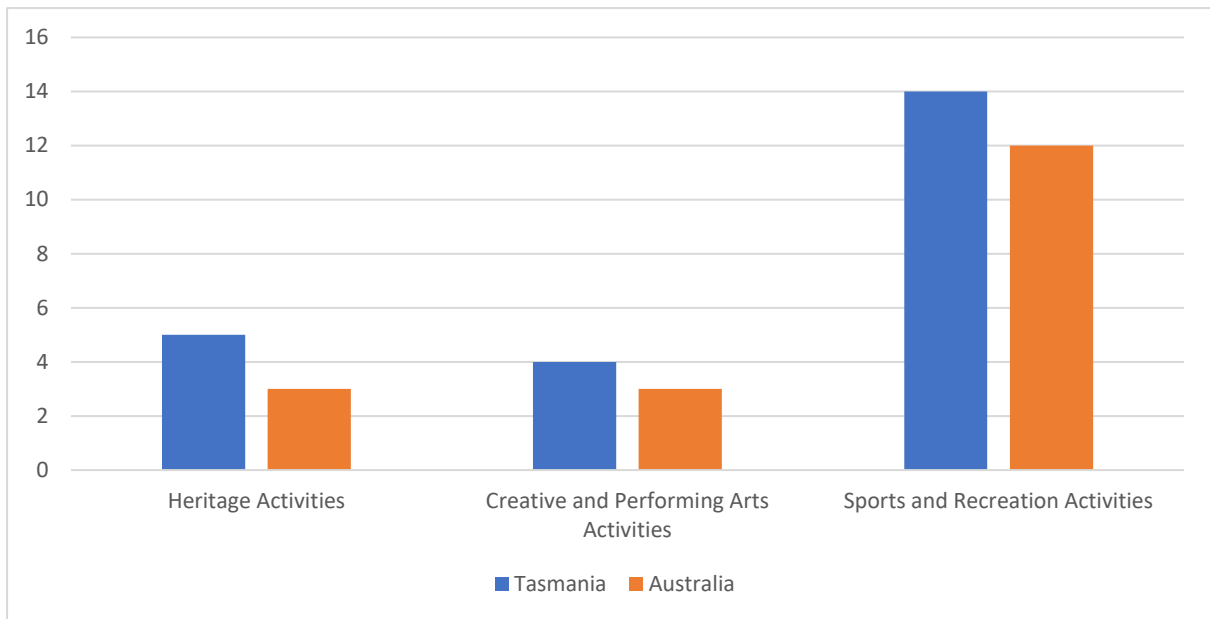
## Education and Training



## Health Care and Social Assistance



### Arts and Recreation Services



### Personal and Other Services

