

VET average price benchmarks

Findings from the national VET
average price benchmark
database



This report presents only the data collected as part of a study commissioned by the National Skills Commission. The level of coverage and accuracy of this data may vary between states and territories, providers and qualifications. The conclusions drawn in this report reflect only the data collected, and there may be some variance or conflicting findings where other data are used.

The views expressed in this report are those of the author(s) and do not necessarily reflect those of the Australian Government or the Department of Education, Skills and Employment. This publication is not legal or professional advice. The Commonwealth of Australia does not guarantee the accuracy or reliability of the information and data in the publication. Third parties rely upon this publication entirely at their own risk.

ISBN 978-1-76114-098-3 [PDF]



With the exception of the Commonwealth Coat of Arms, the logo, any material protected by a trademark and where otherwise noted all material presented in this document is provided under a Creative Commons Attribution 3.0 Australia licence. The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the [CC BY 3.0 AU licence](https://creativecommons.org/licenses/by/3.0/au/).

The document must be attributed as the (VET average price benchmarks - Findings from the national VET average price benchmark database).

Contents



Executive summary	2
Part 1 Project overview	3
1.1 Approach and data sources	3
1.2 Database coverage	3
Part 2 Findings	4
2.1 Variation by AQF level and field of education	4
2.2 Variation across jurisdictions for the same qualification	6
2.3 Exploring jurisdictional drivers of price variation	10
2.4 Econometric approach to estimating VET prices	12
Part 3 Considerations for future collections	13
Appendix A National Skills Commission role	14
Appendix B Distribution of process and hours	15
Appendix C Average process for high volume qualifications	18

Executive summary



Currently there is substantial variation in fees and subsidies (and therefore total prices) for vocational education and training (VET) qualifications across Australia, even for the same qualification.

Until now a lack of systematic national data has prevented us from identifying the underlying drivers of these differences and whether they reflect underlying differences in the cost of provision and/or differences in skill requirements across the country.

The development of average price benchmarks involved the first national collection of information on VET qualification subsidies, fees and prices across Australia. The database forms a starting point from which to understand the variability in VET qualification pricing nationally for government subsidised qualifications. It is the first step in the pathway to developing more nationally consistent prices for VET.

Overall, the project confirmed the varying extents to which:

- government subsidies are available for qualifications and to students across jurisdictions
- subsidies contribute to the full price of a qualification
- states and territories hold standardised schedules of subsidy payment amounts for government funded qualifications (rather than deriving averages from qualification prices negotiated with individual training providers)
- funding differentials between private and public providers are attached to qualification price, and the visibility of these differentials
- states and territories collect fee data for qualifications eligible for subsidies.

These differences were found despite all jurisdictions basing their subsidies predominantly on the cost of delivery, and at a high level, similarities in cost calculations. However, more detailed assumptions (e.g. cost per hour, number of hours and portion of the price subsidised) lead to differences in both total price and the level of subsidy applied.

Prices were collected at the qualification level, distinguishing by apprenticeship/traineeship and non-apprenticeship/traineeship delivery, from a number of sources. These include publicly available information, fee and subsidy data provided by jurisdiction agencies and fee data collected from provider websites. With 17,000 observations covering more than 2,000 qualifications and national skill sets, the data reveals:

- varying prices for students accessing the same qualification in different jurisdictions, averaging over \$3,000 (and in many cases exceeding \$10,000) where more than one jurisdiction price is observed
- substantial price variation (in some cases exceeding \$10,000) within the same field of education or qualification level
- on average, 87% of the price is covered by subsidies for apprenticeship/traineeship delivery compared to 76% for non-apprenticeship/traineeship training
- varying price dispersion for a single qualification at the jurisdictional level for high volume qualifications, with especially large variation for some trade-related Certificate III qualifications
- less variation in the average and total cost of high-volume qualifications across jurisdictions than the above more granular findings might have indicated.

Further work will continue to explore underlying drivers of cost differences, particularly variation in nominal hours. The NSC is also collecting data from training providers to better understand cost structures. Both the cost survey and average price database will inform the NSC's development of efficient prices for VET courses.

Part 1

Project overview

The development of average price benchmarks involved the first national collection of information on VET qualification subsidies, fees and prices across Australia. The database forms a starting point from which to understand the variability in VET qualification pricing nationally for government subsidised qualifications and is the first step in the pathway to developing efficient prices for VET. This is one of the National Skills Commission's (NSC's) functions as set in legislation (see Appendix A).

The NSC commissioned Deloitte Access Economics to assist with this work. The collection and analysis focused on 50 priority qualifications (identified by 2018 government funded enrolments) for standard students (defined as located in a metropolitan area, not Aboriginal or Torres Strait Islander, has English as a first language, does not have a disability and is not long-term unemployed). The project was undertaken from March to August 2020.

1.1 Approach and data sources

Both publicly available information on subsidies, fees and prices, and data sourced through engagement with state and territory agencies were used in the construction of the database. In most cases, and unless specifically requested or instructed otherwise, publicly available information or the 'most standard' information available was used. Where fee data were not available, fees were collected directly from provider websites for 50 priority qualifications.

State and territory agencies were consulted to understand the approaches taken around subsidy, fee and price setting; and to request more detailed data as needed.

1.2 Database coverage

The database has over 17,000 observations of either subsidy, fees and/or prices for government funded qualifications. This includes observing subsidy and/or fee arrangements for over 2,000 distinct qualifications and skill sets. No observations were collected for fee-for-service delivery. An excerpt of the information collected in the database is shown in Figure 1 (noting some identification columns have been removed for the purpose of this extract).

Figure 1: Average price benchmark database excerpt

Flat Data Sheet																
This sheet contains all information collected for subsidies, fees and prices. It includes qualification data at both the jurisdiction and provider level, as appropriate for each jurisdiction.																
Qualification code	AQF	Qualification title	FOE 2 digit	FOE 4 digit	Top 50 course rank	Private / Public provider	Trainership / Apprenticeship	Nominal hours provided	Subsidy provided	Fee provided	Nominal hours source	Subsidy source	Fee source	Subsidy	Price	
FSK10113	Certificate I	Certificate I in Access to Vocational Pathways	12	Mix 1201 - Genes	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$1,730	\$0	\$1,730	
FSK10119	Certificate I	Certificate I in Access to Vocational Pathways	12	Mix 1201 - Genes	25 All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$1,730	\$0	\$1,730	
10588NAT	Certificate I	Certificate I in Access to Work and Training	12	Mix 1201 - Genes	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,330	\$0	\$3,330	
10588NAT	Certificate I	Certificate I in Fundamental English for Speakers of	09	Soc 0915 - Langu	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,560	\$0	\$2,560	
22472VIC	Certificate I	Certificate I in General Education for Adults	12	Mix 1201 - Genes	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$4,070	\$0	\$4,070
22475VIC	Certificate I	Certificate I in General Education for Adults (Introduct	12	Mix 1201 - Genes	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$3,820	\$0	\$3,820
ICT10115	Certificate I	Certificate I in Information, Digital Media and Technol	02	Inf 0203 - Infor	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,340	\$0	\$2,340	
10582NAT	Certificate I	Certificate I in Preparation for Work and Training	12	Mix 1201 - Genes	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,630	\$0	\$2,630	
FSK10219	Certificate I	Certificate I in Skills for Vocational Pathways	12	Mix 1201 - Genes	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,340	\$0	\$2,340	
FSK10213	Certificate I	Certificate I in Skills for Vocational Pathways	12	Mix 1201 - Genes	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,340	\$0	\$2,340	
22302VIC	Certificate I	Certificate I in Work Education	12	Mix 1205 - Empl	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$6,410	\$0	\$6,410	
CUA20415	Certificate II	Certificate II in Aboriginal and Torres Strait Islander	10	Cre 1003 - Visual	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,880	\$880	\$4,760	
CUA20315	Certificate II	Certificate II in Aboriginal and Torres Strait Islander	10	Cre 1003 - Visual	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,020	\$880	\$2,900	
HLT20113	Certificate II	Certificate II in Aboriginal and/or Torres Strait Island	06	Hex 0613 - Public	All	Non A/T	No	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,450	\$830	\$3,280	
HEA20418	Certificate II	Certificate II in Aerosp	03	Eng 0315 - Aersp	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$4,500	\$1,320	\$5,820
AHC20116	Certificate II	Certificate II in Agriculture	05	Agri 0501 - Agric	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,770	\$1,120	\$4,890	
HEA20518	Certificate II	Certificate II in Aircraft Line Maintenance	03	Eng 0315 - Aersp	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$5,040	\$1,320	\$6,360
ACM20117	Certificate II	Certificate II in Animal Studies	06	Hex 0611 - Veter	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$2,620	\$1,120	\$3,740
MST20616	Certificate II	Certificate II in Applied Fashion Design and Technolog	03	Eng 0301 - Manuf	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$4,920	\$1,320	\$6,240	
SF120111	Certificate II	Certificate II in Aquaculture	05	Agri 0507 - Fisher	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,750	\$1,120	\$3,870	
SF120119	Certificate II	Certificate II in Aquaculture	05	Agri 0507 - Fisher	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,750	\$1,120	\$3,870	
AHC20516	Certificate II	Certificate II in Arboriculture	05	Agri 0503 - Horti	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$3,270	\$1,120	\$4,390
PSF20218	Certificate II	Certificate II in Auden	09	Soc 0915 - Langu	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$5,190	\$0	\$5,190
AUR20218	Certificate II	Certificate II in Automotive Air Conditioning Technolo	03	Eng 0305 - Auton	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$3,060	\$1,010	\$4,070
AUR20916	Certificate II	Certificate II in Automotive Body Repair Technology	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$4,050	\$1,010	\$5,060	
AUR21316	Certificate II	Certificate II in Automotive Braking System Technolo	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,670	\$1,010	\$3,680	
AUR21416	Certificate II	Certificate II in Automotive Cooling System Technolo	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,110	\$1,010	\$4,120	
AUR21516	Certificate II	Certificate II in Automotive Cylinder Head Reconditio	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$4,320	\$1,010	\$5,330	
AUR21616	Certificate II	Certificate II in Automotive Driveline System Technol	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,170	\$1,010	\$3,180	
AUR20416	Certificate II	Certificate II in Automotive Electrical Technology	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,960	\$1,010	\$4,970	
AUR21716	Certificate II	Certificate II in Automotive Exhaust System Technolo	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,850	\$1,010	\$4,860	
AUR20218	Certificate II	Certificate II in Automotive Manufacturing Production	03	Eng 0301 - Manuf	All	Non A/T	No	Yes	Yes	Yes	No data	Publicly avail	Publicly avail	\$4,130	\$1,010	\$5,140
AUR21116	Certificate II	Certificate II in Automotive Sales	08	Mar 0805 - Sales	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$1,940	\$1,010	\$2,950	
AUR20516	Certificate II	Certificate II in Automotive Servicing Technology	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,480	\$1,010	\$4,490	
AUR21816	Certificate II	Certificate II in Automotive Steering and Suspension	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,880	\$1,010	\$3,890	
AUR21916	Certificate II	Certificate II in Automotive Tyre Servicing Technology	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$3,030	\$1,010	\$4,040	
AUR21216	Certificate II	Certificate II in Automotive Underbody Technology	03	Eng 0305 - Auton	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,880	\$1,010	\$3,890	
AV120116	Certificate II	Certificate II in Aviation (Flight Operations-Cargo Ser	08	Mar 0809 - Other	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,670	\$1,010	\$3,680	
AV120119	Certificate II	Certificate II in Aviation (Flight Operations-Cargo Ser	03	Eng 0315 - Aersp	All	Non A/T	Yes	Yes	Yes	Yes	Sourced from Publicly avail	Publicly avail	\$2,670	\$1,010	\$3,680	

Part 2

Findings

Some points of consistency and of difference between jurisdictions were noted over the course of the project. These are outlined in Table 1.

Table 1: Observations of similarities and differences in VET pricing approaches

Similarities	Differences
<ul style="list-style-type: none">• The general intent of government subsidisation of training is consistent across the nation.• All jurisdictions base their subsidies mainly on the cost of delivery.• The cost of delivery is generally attached to the field of study, and the relative cost of delivering training in that field.• All jurisdictions take hours of delivery (whether nominal or actual) into account when setting prices and subsidies.	<ul style="list-style-type: none">• While jurisdictions have a similar intent and basis of price and subsidy calculations, the detail underlying these calculations differs and hence results in different prices and subsidy levels.• Jurisdiction-level approaches tend to capture the differing economic and demographic factors that affect skill attainment and prioritisation, and the location of training delivery.• The extent to which data can be observed for qualifications varies across jurisdictions and qualifications.• The price paid for a qualification may be fixed for a given enrolment or determined by the combination of units of competency actually taken and/or the number of hours actually delivered.

Source: Deloitte Access Economics

In conducting the website-based fee data collection, it was found that about 56% of providers sampled clearly published subsidised fee information. Of the remainder, either the provider website could not be located, the course could not be located for that provider, or the fee either was not stated, was stated as a full fee, or was not clearly specified.

2.1 Variation by AQF level and field of education

Substantial price variation occurs within the same level of education and within the same field of education, as shown in Table 2. This table shows the average price for all qualifications within a field of education/level of education combination, weighted by the number of enrolments for that qualification (and for that price observation). For example, the fifth cell in the first row (\$6,600) shows the average price of all Certificate III level qualifications in the natural and physical sciences field. In some instances, there are only a low number of qualifications represented within a cell. For that reason, relatively high or low weighted average prices should be used with caution as they may be based on a small number of non-representative qualifications. We have indicated cells with low number of qualifications (<5) through shading.

Within a level of education, the greatest variation occurs at the Advanced Diploma level, where the difference between the fields with the lowest and highest averages is about \$20,000. Within a field of education, the largest difference between the lowest and highest average is in architecture and building. However, a number of fields of education and levels have ranges exceeding \$10,000, suggesting the wide dispersion is not driven by only a few outliers.

Table 2: Weighted average prices, by field of education and qualification level

A/T status	Field of education	Cert I	Cert II	Cert III	Cert IV	Diploma	Adv Diploma	Grad Cert/ Diploma
Non A/T	Natural and physical sciences		\$2,500	\$6,600	\$14,200	\$13,000		
	Information technology	\$2,400	\$4,300	\$8,300	\$8,800	\$14,000	\$9,000	
	Engineering and related technologies	\$3,300	\$3,800	\$7,000	\$8,600	\$13,300	\$15,700	
	Architecture and building	\$3,000	\$5,200	\$10,100	\$9,400	\$15,500	\$20,100	
	Agriculture, environmental and related studies	\$1,900	\$4,400	\$7,800	\$10,400	\$12,100	\$14,200	
	Health		\$3,300	\$6,400	\$8,100	\$18,400	\$9,600	
	Education	\$4,900		\$4,700	\$4,800	\$11,400		
	Management and commerce	\$1,400	\$2,700	\$4,500	\$5,100	\$6,600	\$7,100	
	Society and culture	\$2,500	\$2,400	\$5,700	\$7,200	\$9,100	\$10,600	\$11,400
	Creative arts	\$3,100	\$3,100	\$6,300	\$8,700	\$12,500	\$14,500	
A/T	Food, hospitality and personal services	\$800	\$2,700	\$6,500	\$7,500	\$14,900		
	Mixed field programmes	\$3,600	\$3,800	\$4,100	\$4,500	\$9,600		
	Natural and physical sciences		\$9,100	\$8,500	\$11,200	\$12,200	\$4,100	
	Information technology	\$800	\$3,100	\$7,200	\$10,300	\$11,000	\$7,300	
	Engineering and related technologies	\$2,000	\$4,500	\$13,800	\$12,100	\$27,700	\$16,200	
	Architecture and building	\$2,600	\$4,500	\$16,400	\$9,400	\$15,300	\$24,800	
	Agriculture, environmental and related studies	\$1,400	\$5,000	\$10,900	\$10,300	\$13,500		
	Health		\$3,700	\$6,500	\$8,600	\$18,800		
	Education			\$5,100	\$6,300	\$12,800		
	Management and commerce	\$1,500	\$3,100	\$4,800	\$5,400	\$6,200	\$9,200	
	Society and culture		\$2,500	\$6,100	\$8,300	\$10,700		
	Creative arts		\$4,400	\$10,500	\$10,200	\$19,100		
	Food, hospitality and personal services	\$1,300	\$3,800	\$9,800	\$9,600	\$13,500		
	Mixed field programmes		\$2,600					

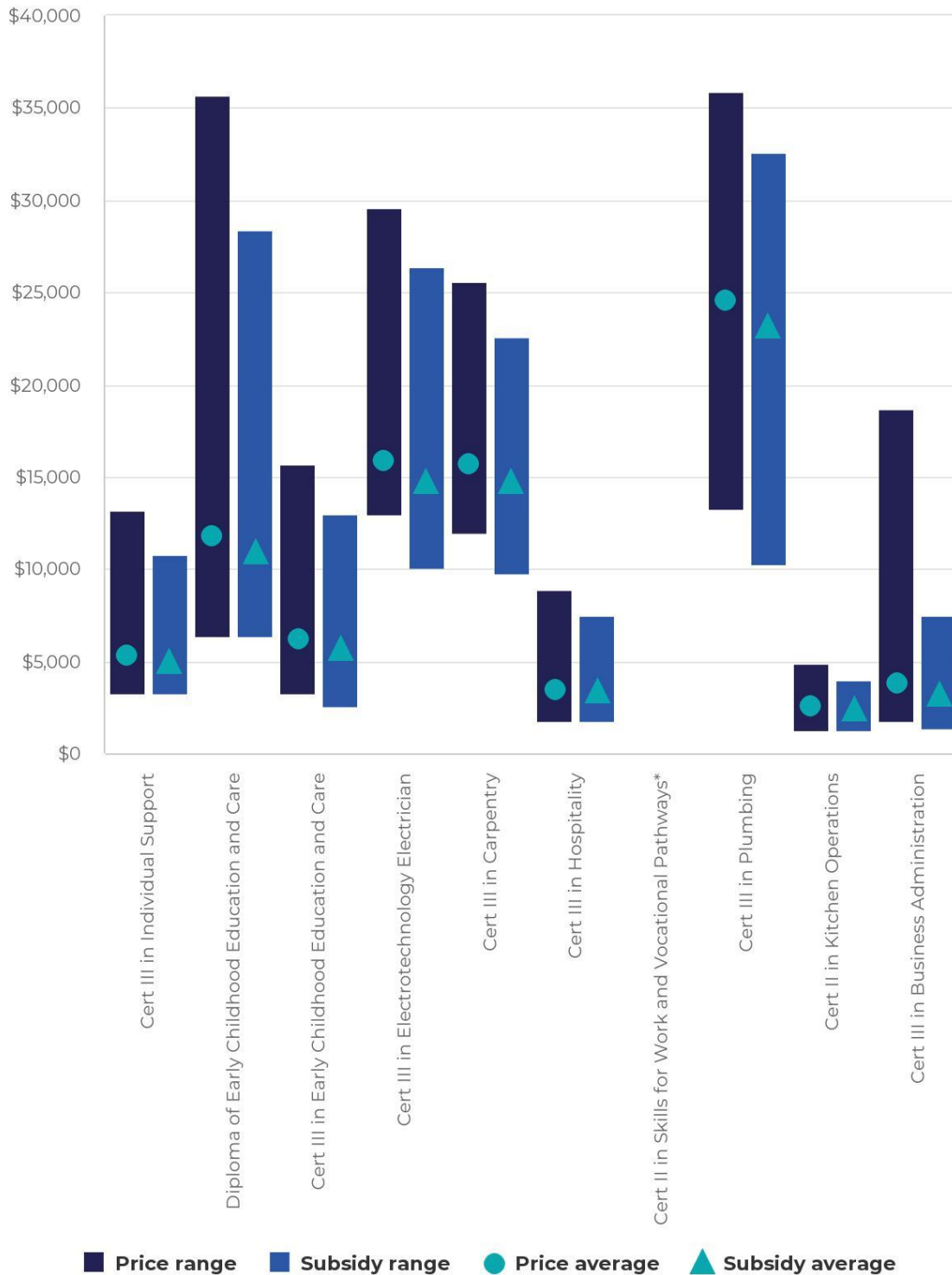
Note: (a) All prices are rounded to the nearest \$100; (b) Shading indicates that less than five observations

Further details at the hourly level are included in Appendix B.

2.2 Variation across jurisdictions for the same qualification

Differences in approaches (and the availability of data) result in substantial variation in subsidy and fee levels across jurisdictions, and the number of jurisdictions offering funding, for a single qualification. The extent to which the subsidy drives the price, or the fee is the key driver, is explored below. Chart 1 shows the range in prices and subsidies, observed at the provider level, across the top 10 qualifications by national enrolment level in 2018.

Chart 1: Range in provider-level prices and subsidies, top 10 qualifications



Note: (a) Provider-level (or state level in regulated fee markets) observations are only included where both a subsidy and fee is observed; (b) Qualifications marked (*) are excluded due to small sample size.

The composition of the top 10 qualifications, and how this differs by delivery (i.e. apprenticeship/traineeship or not) is shown in further detail in Table 3. In general, the subsidy plays a larger role in the price of a qualification when delivered under an apprenticeship or traineeship than when not delivered under these delivery modes. This does, however, vary across qualifications and is influenced by policy settings in some jurisdictions to set low (or zero) fees for apprentices and trainees.

Table 3: Subsidy and fee composition of national average price, top 10 qualifications

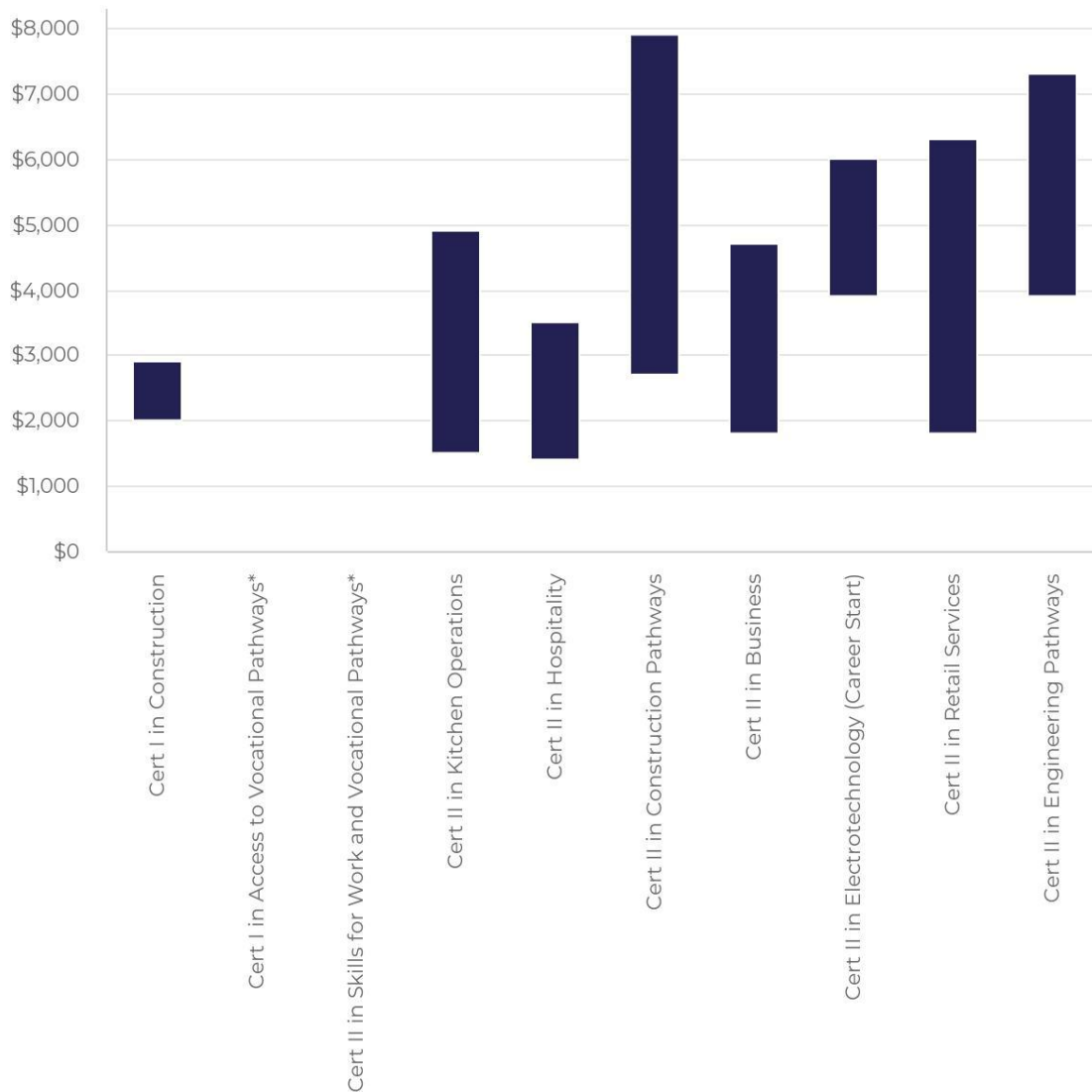
Qualification		Subsidy (%)	Fee (%)	Average qualification price ^(a)
Certificate III in Individual Support	Non A/T	86%	14%	\$5,700
	A/T	89%	11%	\$5,800
Diploma of Early Childhood Education and Care	Non A/T	86%	14%	\$11,500
	A/T	91%	9%	\$12,800
Certificate III in Early Childhood Education and Care	Non A/T	83%	17%	\$6,600
	A/T	92%	8%	\$6,700
Certificate III in Electrotechnology Electrician	Non A/T	75%	25%	\$13,400
	A/T	93%	7%	\$16,000
Certificate III in Carpentry	Non A/T	77%	23%	\$12,900
	A/T	95%	5%	\$15,100
Certificate III in Hospitality	Non A/T	84%	16%	\$4,200
	A/T	88%	12%	\$4,500
Certificate II in Skills for Work and Vocational Pathways ^(b)	Non A/T			
	A/T			
Certificate III in Plumbing	Non A/T	77%	23%	\$13,200
	A/T	95%	5%	\$21,700
Certificate II in Kitchen Operations	Non A/T	79%	21%	\$2,700
	A/T	80%	20%	\$3,700
Certificate III in Business Administration	Non A/T	75%	25%	\$4,100
	A/T	88%	12%	\$4,100
Top 10 average	Non A/T	82%	18%	
	A/T	90%	10%	

Note: (a) All prices are rounded to the nearest \$100; (b) Observations with small sample sizes are excluded from the table; (c) This table comprises national weighted averages of subsidies, fees and prices. Observations are only included in the final calculation if both a subsidy and fee is observed.

Chart 2 shows the weighted average price by jurisdiction for high-volume Certificate I and Certificate II qualifications. This shows:

- differing levels of price variation across qualifications
- a general range of \$2,000 to \$5,000 in total price across these qualifications, with some jurisdiction averages outside these bounds.

Chart 2: Price ranges for high volume Certificate I/II, state weighted averages

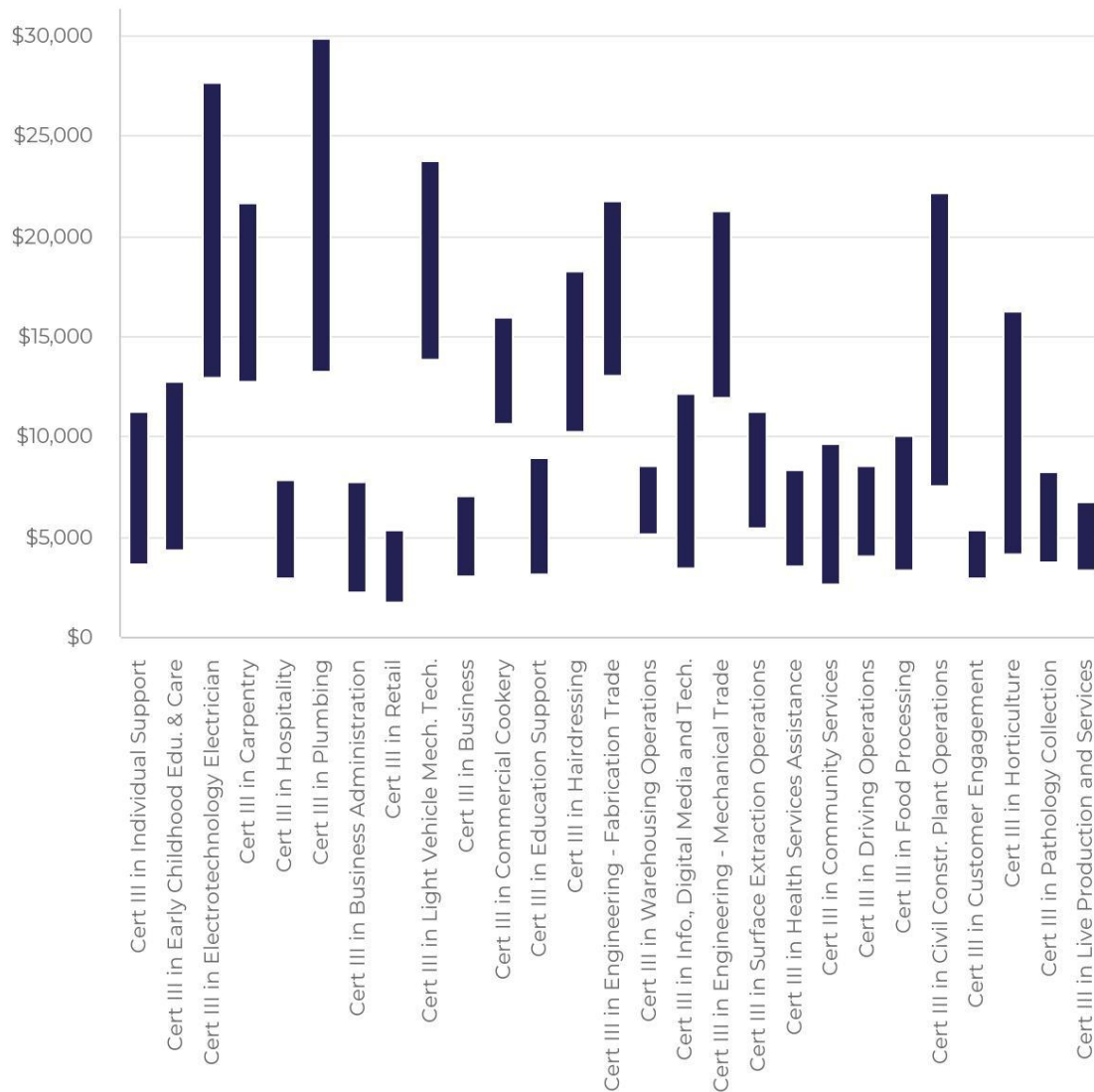


Note: Qualifications masked with an asterisk (*) have small sample sizes and are not included in this analysis.

Chart 3 displays the same information for Certificate III qualifications. This shows:

- relatively high variation across states and territories within a qualification (e.g. Certificate III in Plumbing and Certificate III in Light Vehicle Mechanical Technology)
- low variation for some courses, including the Certificate III in Surface Extraction Operations and Certificate III in Customer Engagement, indicating similarity in costing and pricing methodologies across jurisdictions, and in provider fee rates
- a 'centre-point' around which majority of prices are focused, with variation for some jurisdictions outside these bounds.

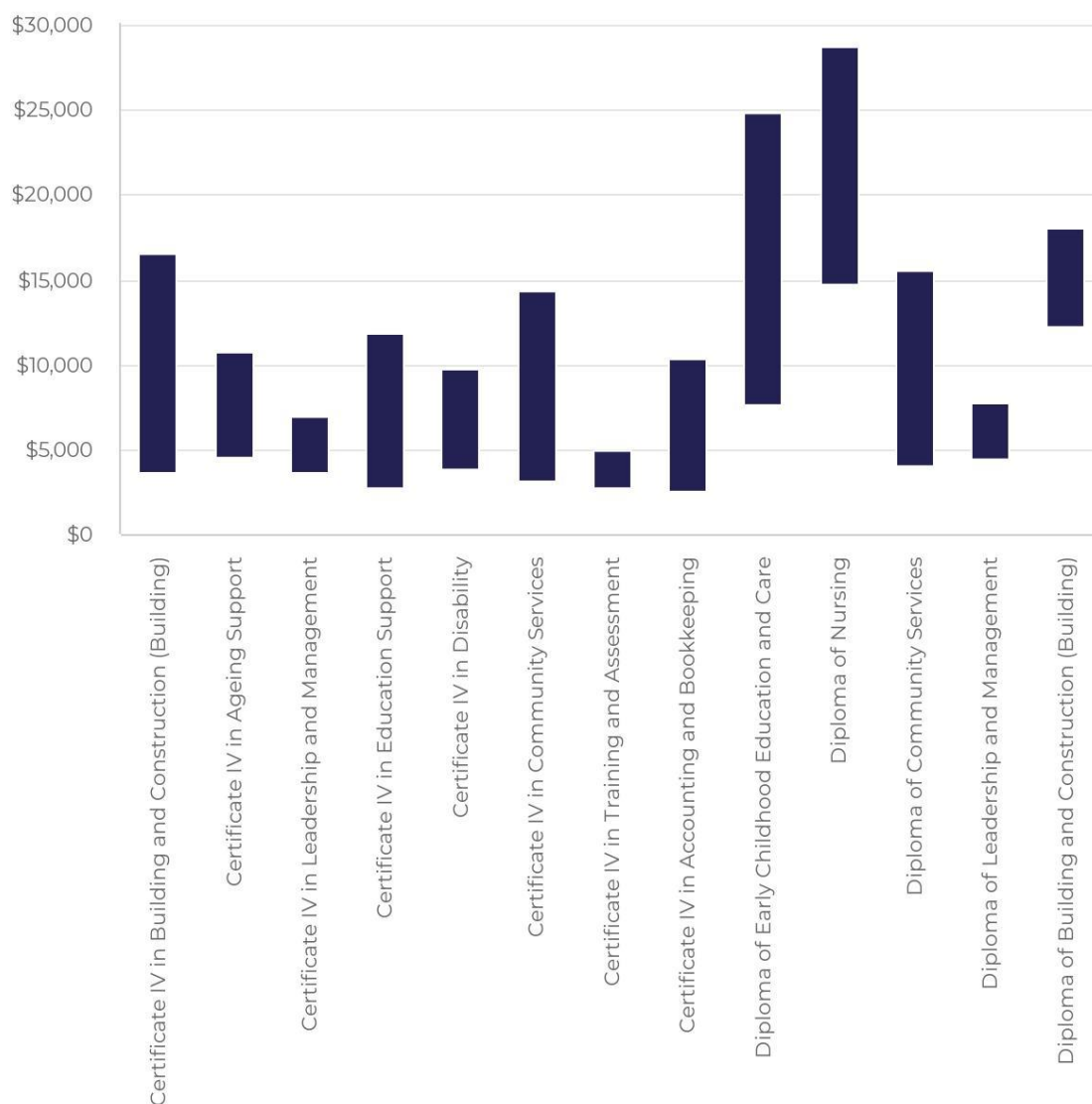
Chart 3: Price ranges for high volume Certificate III, state weighted averages



Analysis of high-volume Certificate IV and Diploma qualifications (Chart 4) shows:

- no clear relationship between field of education and price variation for Certificate IV qualifications (e.g. price variation appears broadly equal for Certificate IV in Education Support, Certificate IV in Disability and Certificate IV in Training and Assessment)
- increased variation for some higher level qualifications, including the Diploma of Early Childhood Education and Care and Diploma of Nursing
- low price variation in courses in leadership and management.

Chart 4: Price ranges for high volume Certificate IV and above, state weighted averages



2.3 Exploring jurisdictional drivers of price variation

Clearly there is substantial variation in pricing across Australia, even for the same qualification. To investigate whether the variation is influenced by underlying differences in cost structures between jurisdictions, we compare the cost of a basket of high-volume qualifications (using the distribution of 2019 government funded enrolments as weights) using average prices for each jurisdiction. Because jurisdictions currently determine which qualifications they will subsidise, we are restricted in how many qualifications we can include in the basket.

The variation in the cost of a basket of 15 high volume qualifications in each jurisdiction is shown in Chart 5. Each bar represents the same distribution of enrolments in each qualification (weighted using the 2019 national enrolments) but uses the jurisdictional average price, fee and subsidy information. We have removed the jurisdiction labels to focus on common patterns. These 15 high volume qualifications comprised 20% of total government funded enrolments in 2019.

Actual subsidies and fees paid by governments and students will be influenced by qualification selection, completion rates, concession fee arrangements and student and regional based loadings. This chart does not take into account other payments jurisdictions may make that sit outside the qualification pricing framework (e.g. community service obligations, thin market funding and public provider supplements).

Chart 5 still shows noticeable variation in average price, subsidy and fee per enrolment. Six jurisdictions have an average price between \$7,000 and \$10,000, with two jurisdictions showing much higher averages (above \$14,000). This substantial difference may reflect differences in underlying cost structures or it may reflect different price and subsidy

setting principles. For example, the two more expensive jurisdictions may incorporate into their pricing elements such as higher prices for delivery to regional and remote areas, thin markets, or for qualifications delivered by the public provider which elsewhere are addressed through loadings or programmatic funding.

Chart 5: Weighted average subsidy and fee per enrolment, 15 high volume qualifications, across 8 jurisdictions

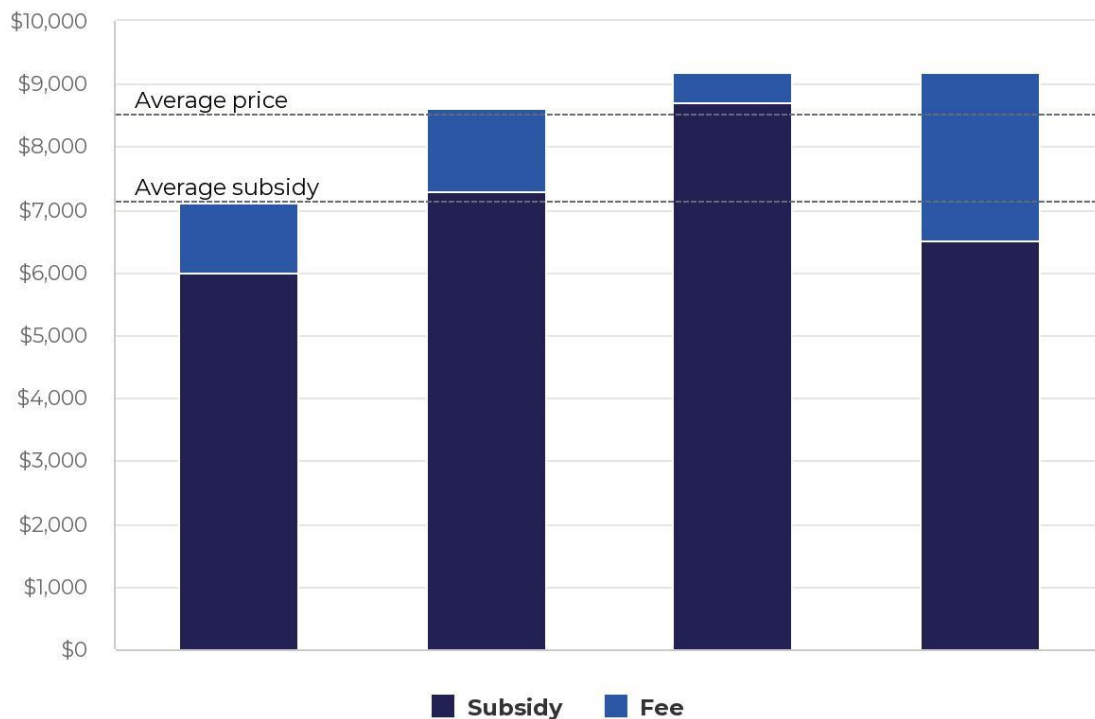


Note: The average subsidy and average price shown in the above chart represent the average subsidy and average price where qualifications are weighted by national enrolment.

To remove these influences, we filtered the prices to include only prices paid for metropolitan delivery and removed any prices that applied only to public providers. Doing so reduced the number of jurisdictions with a usable number of qualification observations. However, it also increased the number of qualifications that we could observe, to 40.

Chart 6 shows the cost of a basket of 40 high volume qualifications selected and weighted by national enrolment, on a per enrolment basis across the four jurisdictions with sufficient price coverage in the database. Qualifications included in this basket accounted for 40% of total government funded enrolments in 2019.

Chart 6: Weighted average subsidy and fee per enrolment, 40 high volume qualifications, across four jurisdictions



Note: The average subsidy and average price shown in the above chart represent the average subsidy and average price where qualifications are weighted by national enrolment.

The average price for the top 40 qualifications falls within a smaller band (approximately \$7,000 to \$9,000), with three of the four jurisdictions much closer to \$9,000. What Chart 6 shows more clearly is that differences in the standard fee-subsidy split may account for more of the difference in subsidies paid between jurisdictions than underlying differences in the cost of delivery. It should be noted that the chart does not necessarily indicate that total fees actually paid by students are substantially different between jurisdictions. The fee data captured in the database typically reflect standard fees. Jurisdictional arrangements regarding fee concessions and fee waivers may reduce the total amount paid by students in fees. This should not change the ability to make comparisons on total price, however, as jurisdictions typically have arrangements to reimburse or top up providers for fee income lost through concessions or waivers.

2.4 Econometric approach to estimating VET prices

With such a large number of observations from jurisdictions with differing fee and subsidy settings, a national pricing model for government funded VET qualifications can be built by applying econometric models to the data available in the average price benchmark database.

An econometric estimation may be used both to estimate prices for government funded VET qualifications; and to understand the variation in prices, testing the hypothesis that prices are driven by observed characteristics.

For instance, the extent to which nominal hours are a key driver of price may be tested through an econometric specification. It is a feature of the Australian VET system that qualifications at the same AQF level and within the same field of education can have vastly different nominal hours attached, despite having the same volume of learning requirements under the AQF.

The NSC has been developing and testing a model that estimates a qualification price, given a set of nominal hours, field of education, AQF level and apprenticeship/traineeship characteristics. The results of this analysis will be presented in a standalone paper

Part 3

Considerations for future collections



As the first national collection of this kind, the NSC faced complexities in the process of collecting, compiling, processing and producing average subsidies, fees and prices in a consistent way. The most prominent of these are outlined below, along with some considerations for overcoming these in future collection exercises:

- The **availability and accuracy of data on student tuition fees** represents a key challenge in capturing the price of VET qualifications nationally. Currently not all jurisdictions collect data on the fees charged by RTOs for students accessing subsidies. Future collections would benefit from initiatives at the national or state and territory level aiming to improve the availability and transparency of fee information, such as a regular national collection of fees through NCVER or other mechanisms.
- Where **subsidy rates differ between public and non-public providers**, future collections would benefit from greater information on underlying funding differentials, to better consider the impact of these arrangements on reported subsidies and prices.
- The **weighting of observations** to calculate the average price a student faces requires use of VET enrolment data, which results in some lag between weights and prices.
- **Nominal hours are included (where available) in the database to consider 'per unit' prices.** However, the availability, quality and use of nominal hour information across jurisdictions differs, with future collections likely to benefit from the development of a consistent measure of hours for training delivery, as a unit of comparison.

Appendix A

National Skills Commission role

The *National Skills Commissioner Act 2020* requires the Commissioner (and the National Skills Commission - NSC) to provide advice on the following:

- Australia's current, emerging and future workforce skills needs
- the development of efficient prices for VET courses
- the public and private return on government investment in VET qualifications
- the performance of Australia's system for providing VET
- issues affecting the state of the Australian and international labour markets
- opportunities to improve access, skills development and choice for regional, rural and remote Australia in relation to VET.

The Commissioner is also required to publish an annual report about Australia's current, emerging and future workforce skills needs.

Appendix B

Distribution of prices and hours

Nominal hours at the field of education and AQF level are presented in Table B1. Nominal hours were collected from and provided by jurisdictions, usually with the delivery of subsidy data. As a result, there is stronger coverage for nominal hours compared to prices, as presented in Table 2.

Table B1: Nominal hours, by field of education and AQF level

A/T status	Field of education	Cert I	Cert II	Cert III	Cert IV	Diploma	Adv Diploma	Grad Cert/ Dip.
Non A/T	Natural and physical sciences		311	650	1,227	1,409	644	
	Information technology	195	495	683	811	880	950	273
	Engineering and related technologies	208	422	775	926	1,101	1,477	470
	Architecture and building	284	414	845	849	1,416	1,852	455
	Ag., environment and related studies	185	511	833	898	1,187	1,117	844
	Health	225	376	511	827	1,216	1,092	366
	Education	530		576	595	916		399
	Management and commerce	242	329	456	589	685	929	539
	Society and culture	197	295	540	775	957	663	693
	Creative arts	258	361	662	938	1,207	1,584	
	Food, hospitality and personal services	239	439	642	760	686	864	535
	Mixed field programmes	393	403	478	595	580		
	Natural and physical sciences		371	674	982	1,530	589	
A/T	Information technology	185	469	677	807	867	876	
	Engineering and related technologies	205	401	763	944	1,094	1,537	
	Architecture and building	302	368	789	754	1,308	1,508	
	Ag., environment and related studies	115	496	799	806	1,090	1,850	
	Health		334	552	936	1,206	962	366
	Education			467	597	1,019		
	Management and commerce	161	319	460	578	672	918	273

A/T status	Field of education	Cert I	Cert II	Cert III	Cert IV	Diploma	Adv Diploma	Grad Cert/ Dip.
	Society and culture		291	537	785	942	728	
	Creative arts	333	359	665	917	1,289	1,150	
	Food, hospitality and personal services	102	418	703	758	758	793	468
	Mixed field programmes	363	290	450	943			

Note: Shading indicates less than five observations for that field of education and AQF level.

The nominal hours in Table B1 are used with prices at the field of education and AQF level to produce an hourly price for these groups. Hourly prices are presented in Table B2.

Table B2: Weighted hourly prices, by field of education and AQF level

A/T status	Field of education	Cert I	Cert II	Cert III	Cert IV	Diploma	Adv Diploma	Grad Cert/ Diploma
Non A/T	Natural and physical sciences		\$8.0	\$10.1	\$11.6	\$9.2		
	Information technology	\$12.3	\$8.7	\$12.2	\$10.9	\$15.9	\$9.5	
	Engineering and related technologies	\$15.9	\$9.0	\$9.0	\$9.3	\$12.1	\$10.6	
	Architecture and building	\$10.6	\$12.6	\$12.0	\$11.1	\$10.9	\$10.9	
	Ag., environment and related studies	\$10.3	\$8.6	\$9.4	\$11.6	\$10.2	\$12.7	
	Health		\$8.8	\$12.5	\$9.8	\$15.1	\$8.8	
	Education	\$9.2		\$8.2	\$8.1	\$12.4		
	Management and commerce	\$5.8	\$8.2	\$9.9	\$8.7	\$9.6	\$7.6	
	Society and culture	\$12.7	\$8.1	\$10.6	\$9.3	\$9.5	\$16.0	\$16.5
	Creative arts	\$12.0	\$8.6	\$9.5	\$9.3	\$10.4	\$9.2	
A/T	Food, hospitality and personal services	\$3.3	\$6.1	\$10.1	\$9.9	\$21.7		
	Mixed field programmes	\$9.2	\$9.4	\$8.6	\$7.6	\$16.6		
	Natural and physical sciences		\$24.5	\$12.6	\$11.4	\$8.0	\$7.0	
	Information technology	\$4.3	\$6.6	\$10.6	\$12.8	\$12.7	\$8.3	
	Engineering and related technologies	\$9.8	\$11.2	\$18.1	\$12.8	\$25.3	\$10.5	
	Architecture and building	\$8.6	\$12.2	\$20.8	\$12.5	\$11.7	\$16.4	
	Ag., environment. and related studies	\$12.2	\$10.1	\$13.6	\$12.8	\$12.4		
	Health		\$11.1	\$11.8	\$9.2	\$15.6		
	Education			\$10.9	\$10.6	\$12.6		

A/T status	Field of education	Cert I	Cert II	Cert III	Cert IV	Diploma	Adv Diploma	Grad Cert/ Diploma
	Management and commerce	\$9.3	\$9.7	\$10.4	\$9.3	\$9.2	\$10.0	
	Society and culture		\$8.6	\$11.4	\$10.6	\$11.4		
	Creative arts		\$12.2	\$15.8	\$11.1	\$14.8		
	Food, hospitality and personal services	\$12.7	\$9.1	\$13.9	\$12.7	\$17.8		
	Mixed field programmes		\$9.0					

Note: Shading indicates less than five observations for that field of education and AQF level.

Appendix C

Average process for high volume qualifications

Table C1 shows the subsidy and fee composition of national average qualification prices, and the minimum and maximum jurisdiction prices.

Both weighted and unweighted averages are presented in the below table (while the main body of this paper focuses predominantly on weighted averages). Weighted averages are prepared at the jurisdiction level by weighting individual provider observations of fees, and public and private observations of subsidies, by their relative enrolments for a given qualification. The national weighted average is then calculated using jurisdiction enrolment weights at the qualification and apprenticeship/traineeship level. Weighted averages are used in this paper to present what the average Australian student would expect to pay for a given qualification. However, there are certain applications better suited to unweighted averages (for instance in econometric analysis or in analysis focusing on the dispersion of subsidies, fees and prices).

Table C1: Subsidy and fee composition of national average price

Qualification		Subsidy (%)	Fee (%)	National average price (weighted)	National average price (unweighted)	Minimum jurisdiction price	Maximum jurisdiction price
Certificate III in Individual Support	Non A/T	86%	14%	\$5,700	\$6,200	\$3,500	\$11,100
	A/T	89%	11%	\$5,800	\$5,800	\$4,600	\$6,600
Diploma of Early Childhood Education and Care	Non A/T	86%	14%	\$11,500	\$14,900	\$6,800	\$26,500
	A/T	91%	9%	\$12,800	\$15,800	\$11,700	\$26,400
Certificate III in Early Childhood Education and Care	Non A/T	83%	17%	\$6,600	\$7,200	\$3,600	\$13,600
	A/T	92%	8%	\$6,700	\$7,800	\$6,300	\$11,700
Certificate III in Electrotechnology Electrician	Non A/T						
	A/T	93%	7%	\$16,000	\$16,900	\$12,900	\$27,700
Certificate III in Carpentry	Non A/T						
	A/T	95%	5%	\$15,100	\$15,500	\$12,700	\$21,500
	Non A/T	84%	16%	\$4,200	\$4,900	\$1,700	\$7,100


Qualification		Subsidy (%)	Fee (%)	National average price (weighted)	National average price (unweighted)	Minimum jurisdiction price	Maximum jurisdiction price
Certificate III in Hospitality	A/T	88%	12%	\$4,500	\$5,300	\$3,300	\$6,200
Certificate III in Plumbing	Non A/T						
	A/T	95%	5%	\$21,700	\$19,700	\$13,200	\$29,700
Certificate II in Kitchen Operations	Non A/T	79%	21%	\$2,700	\$3,200	\$1,500	\$4,900
	A/T	80%	20%	\$3,700	\$3,400	\$2,500	\$3,900
Certificate III in Business Administration	Non A/T	75%	25%	\$4,100	\$5,300	\$2,200	\$8,100
	A/T	88%	12%	\$4,100	\$4,500	\$2,200	\$6,000
Certificate II in Hospitality	Non A/T	75%	25%	\$2,400	\$2,500	\$1,500	\$3,400
	A/T	86%	14%	\$2,800	\$2,400	\$1,100	\$3,400
Diploma of Nursing	Non A/T	65%	35%	\$19,200	\$19,600	\$14,700	\$28,700
	A/T						
Certificate III in Retail	Non A/T	73%	27%	\$4,800	\$3,600	\$1,900	\$5,300
	A/T	90%	10%	\$4,000	\$3,700	\$1,700	\$5,300
Certificate III in Light Vehicle Mechanical Technology	Non A/T						
	A/T	94%	6%	\$16,500	\$18,100	\$13,800	\$22,900
Certificate IV in Building and Construction (Building)	Non A/T	88%	12%	\$9,300	\$9,600	\$3,600	\$16,500
	A/T	98%	2%	\$9,800	\$9,200	\$7,200	\$12,000
Certificate II in Construction Pathways	Non A/T	78%	22%	\$4,700	\$5,200	\$2,700	\$7,900
	A/T	92%	8%	\$4,700	\$4,200	\$2,700	\$6,600
Certificate III in Business	Non A/T	68%	32%	\$4,100	\$4,800	\$2,800	\$7,000
	A/T	85%	15%	\$4,100	\$4,500	\$3,100	\$5,100
Certificate III in Commercial Cookery	Non A/T	82%	18%	\$10,600	\$11,500	\$10,100	\$14,500
	A/T	94%	6%	\$12,300	\$13,300	\$10,600	\$15,900
	Non A/T	81%	19%	\$4,700	\$5,600	\$3,100	\$9,000

Qualification		Subsidy (%)	Fee (%)	National average price (weighted)	National average price (unweighted)	Minimum jurisdiction price	Maximum jurisdiction price
Certificate III in Education Support	A/T	86%	14%	\$5,100	\$5,300	\$3,300	\$7,900
Certificate III in Hairdressing	Non A/T	92%	8%	\$9,900	\$12,800	\$9,600	\$18,100
	A/T	92%	8%	\$12,200	\$12,500	\$10,200	\$15,800
Certificate IV in Ageing Support	Non A/T	93%	7%	\$8,100	\$8,500	\$4,500	\$10,700
	A/T	96%	4%	\$9,900	\$9,400	\$8,100	\$10,700
Certificate II in Business	Non A/T	70%	30%	\$3,100	\$3,300	\$1,800	\$4,700
	A/T	82%	18%	\$2,800	\$2,900	\$2,000	\$3,500
Diploma of Community Services	Non A/T	79%	21%	\$9,200	\$9,800	\$4,000	\$15,500
	A/T	98%	2%	\$9,600	\$9,800	\$8,500	\$10,800
Certificate I in Construction	Non A/T	96%	4%	\$3,000	\$3,800	\$2,500	\$5,800
	A/T	84%	16%	\$2,600	\$2,400	\$2,000	\$2,600
Certificate I in Access to Vocational Pathways	Non A/T						
	A/T						
Certificate III in Engineering - Fabrication Trade	Non A/T						
	A/T	93%	7%	\$15,200	\$17,300	\$13,000	\$21,700
Certificate III in Warehousing Operations	Non A/T	63%	37%	\$6,500	\$6,500	\$1,600	\$10,700
	A/T	93%	7%	\$6,300	\$6,000	\$5,100	\$6,800
Certificate IV in Leadership and Management	Non A/T	79%	21%	\$5,000	\$5,300	\$3,600	\$6,800
	A/T	98%	2%	\$5,100	\$5,000	\$3,600	\$5,900
Certificate IV in Education Support	Non A/T	85%	15%	\$5,300	\$6,300	\$2,700	\$11,700
	A/T	94%	6%	\$5,300	\$5,800	\$4,900	\$7,200
Certificate IV in Disability	Non A/T	91%	9%	\$6,700	\$6,200	\$3,800	\$9,700
	A/T	98%	2%	\$7,000	\$6,900	\$6,500	\$7,700
	Non A/T	78%	22%	\$7,500	\$8,100	\$5,000	\$12,200

Qualification		Subsidy (%)	Fee (%)	National average price (weighted)	National average price (unweighted)	Minimum jurisdiction price	Maximum jurisdiction price
Certificate III in Information, Digital Media and Technology	A/T	91%	9%	\$6,300	\$6,800	\$4,400	\$10,400
Certificate IV in Community Services	Non A/T	81%	19%	\$7,500	\$7,600	\$3,100	\$14,300
	A/T	97%	3%	\$7,200	\$7,000	\$6,500	\$8,300
Certificate III in Engineering - Mechanical Trade	Non A/T						
	A/T	91%	9%	\$15,000	\$15,000	\$11,900	\$21,200
Certificate IV in Training and Assessment	Non A/T	65%	35%	\$4,100	\$3,900	\$2,700	\$4,900
	A/T						
Certificate III in Surface Extraction Operations	Non A/T	67%	33%	\$5,300	\$6,500	\$3,200	\$11,200
	A/T	92%	8%	\$6,600	\$6,200	\$5,400	\$7,300
Certificate III in Health Services Assistance	Non A/T	81%	19%	\$6,900	\$6,500	\$3,300	\$8,300
	A/T	97%	3%	\$7,100	\$6,000	\$4,600	\$8,300
Certificate III in Community Services	Non A/T	81%	19%	\$4,900	\$5,400	\$2,500	\$9,500
	A/T	87%	13%	\$4,500	\$4,800	\$3,900	\$6,100
Certificate II in Electrotechnology (Career Start)	Non A/T	83%	17%	\$4,300	\$4,600	\$3,900	\$6,000
	A/T	100%	0%	\$4,300	\$3,900	\$3,400	\$4,300
Certificate III in Driving Operations	Non A/T	86%	14%	\$3,400	\$4,900	\$1,800	\$6,800
	A/T	95%	5%	\$6,300	\$6,200	\$4,400	\$8,500
Diploma of Leadership and Management	Non A/T	63%	37%	\$6,800	\$6,300	\$4,400	\$7,600
	A/T	83%	17%	\$5,800	\$6,300	\$4,100	\$7,700
Certificate IV in Accounting and Bookkeeping	Non A/T	83%	17%	\$4,600	\$5,800	\$2,500	\$9,400
	A/T	92%	8%	\$5,800	\$6,300	\$4,100	\$10,300
Certificate III in Food Processing	Non A/T	97%	3%	\$3,900	\$7,000	\$3,300	\$10,000
	A/T	98%	2%	\$7,200	\$6,800	\$3,800	\$9,000
	Non A/T	90%	10%	\$9,000	\$13,400	\$7,500	\$22,100

Qualification		Subsidy (%)	Fee (%)	National average price (weighted)	National average price (unweighted)	Minimum jurisdiction price	Maximum jurisdiction price
Certificate III in Civil Construction Plant Operations	A/T	91%	9%	\$12,200	\$11,600	\$7,500	\$17,900
Certificate II in Retail Services	Non A/T	73%	27%	\$3,100	\$2,700	\$1,800	\$3,500
	A/T	78%	22%	\$2,800	\$2,600	\$1,200	\$3,500
Certificate III in Customer Engagement	Non A/T	61%	39%	\$3,800	\$3,700	\$2,900	\$5,300
	A/T	91%	9%	\$4,600	\$4,600	\$3,400	\$5,300
Certificate II in Engineering Pathways	Non A/T	99%	1%	\$4,000	\$5,300	\$3,900	\$7,400
	A/T						
Diploma of Building and Construction (Building)	Non A/T	90%	10%	\$15,100	\$14,500	\$12,200	\$18,000
	A/T						
Certificate III in Horticulture	Non A/T	82%	18%	\$8,500	\$9,600	\$4,100	\$16,500
	A/T	86%	14%	\$12,100	\$9,900	\$6,900	\$15,900
Certificate III in Pathology Collection	Non A/T	79%	21%	\$6,300	\$6,400	\$3,400	\$8,200
	A/T	83%	17%	\$5,900	\$7,000	\$5,700	\$8,200
Certificate III in Live Production and Services	Non A/T						
	A/T	93%	7%	\$4,600	\$6,100	\$3,300	\$6,700

Note: (a) Qualifications with small sample sizes have been excluded; (b) All prices are rounded to the nearest \$100.



For more information
on this report, contact:

Damian Oliver
Assistant Secretary, Pricing and Performance, NSC
Damian.oliver@skillscommission.gov.au
nationalskillscommission.gov.au



