

[breakthru]

Increasing Your Employment Outcomes: A Special Report for Potential Students

To help people gain stronger
employment outcomes, opportunities
and valuable skills.

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breakthru overview

breakthru is a leading organisation within Australia that has over 26 years of expertise supporting many of the community's most vulnerable people. To continue this support, breakthru was approved as a Registered Training Organisation (RTO) in 2008. Since inception as an RTO, breakthru Community College has been offering both nationally accredited and non-accredited training to students for over 10 years.

Our quality support stems from practical experience in the community services sector and local knowledge. breakthru provides numerous training options that offer new sector entrants and existing employees the knowledge, skills and exposure to both be job-ready for employment and build a sustainable career.

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Post-school education

Post-school education has experienced exponential growth within recent decades and become normalised in Australia. For instance, in 1982 half of 25-34 year-old Australian men and 38% of 25-34 year-old women held a post-school qualification. By 2018, the figures were 73% of men and 76% of women; for women, attainment doubled in a generation. However, this growth has largely occurred within the university system.¹

University and Vocational Education and Training (VET) differences

Two key systems of post-school education in Australia are university and Vocational Education and Training (VET). These systems are complementary and have different focusses, learning styles and strengths.

For instance, university generally offers an academic educational experience. An 'academic' education normally has learning as its primary purpose and explores the theoretical and hypothetical. Although important, the skills gained at university are generally indirectly useful to future employment.²

This is in contrast with VET. This type of education instructs students with practical and specific knowledge and skills to perform a select role. VET provides a direct pathway into employment or into enhanced employment opportunities.³

Benefits of university education

A university education affords students with many benefits. This type of education provides access to occupations for which a degree is required or a significant advantage. A university education may also provide non-career benefits. Gaining this type of education can help students both develop a strong friendship network and general enjoyment. University students also perform better on numerous social indicators, including health.⁴

Risks of university education

Most university students benefit from pursuing this system of education; however, attending university has also become riskier. This is because many university students increasingly experience poor outcomes. For instance:

- Approximately a quarter of bachelor degree students leave university without a qualification. In 2015, an Australian Bureau of Statistics survey estimated that 800,000 people had an incomplete bachelor degree. That number would now be approaching 1 million.⁵
 - This is problematic because these students would have accrued significant debt that both needs to be repaid and generally increases in accordance with the Consumer Price Index.⁶
- New graduates are less likely to find full-time professional employment. Indeed, high-skill professional and managerial jobs have become increasingly difficult to obtain. This is because the job market has become more competitive as graduate numbers significantly outpace the availability of high-skilled and professional positions. The changes have especially affected men wherein approximately half of male graduates aged 20-24 in 2016 possessed these occupations.⁷
 - The costs of unrealised career goals significantly determines an individual's satisfaction. According to a 2013 Australian publication, workers with roles that are mismatched to their skills are generally more unsatisfied than workers that have a greater alignment between their skills and profession.⁸
- A sizeable minority of bachelor degree graduates earn less than many people with VET qualifications. For instance, nearly 40% of bachelor graduates are expected to earn less than the median VET diploma holder. Furthermore, 30% of bachelor graduates that are men are expected to earn less than the median VET Certificate III/IV holder.⁹

These developments suggest many students overlook more skills appropriate and better-paid VET alternatives. Numerous people could therefore improve their career prospects by pursuing VET instead of a university education.

Benefits of VET

Eased entry levels

The entry requirements for VET are generally lower than university. This is because VET places less emphasis on school results. For instance, Certificate III courses, which can be taken by current school students through the VET in Schools program, have reduced academic prerequisites. Admission conditions for Certificate IV and diploma courses vary; however, most students have Year 12 or a prior Certificate III-or-above qualification.¹⁰

Lower fees

The cost of studying VET is lower than university. A VET course costs between \$4,000 and \$22,000 per year while charges for a bachelor degree may cost between \$15,000 and \$33,000 annually.¹¹ Eligible students in both the university and VET sectors can access Australian Government loans to defer the payment of their tuition costs until they begin earning a salary that meets the minimum repayment threshold.¹² The compulsory repayment threshold for the 2020-21 income year is \$46,620.¹³

Furthermore, concessions and exemptions for fees are obtainable to VET students that hold an Australian Government-subsidised place and meet eligibility requirements. Concessions are available to students who possess a valid concession card, such as a Commonwealth Health Care Card. Eligibility for fee exemption varies and may include certain target groups, such as Aboriginal and Torres Strait Islander students or students receiving a disability pension.¹⁴

Higher income

VET graduates have higher earnings compared to university degree-holders. According to the Career Industry Council of Australia (CICA), the median full-time income for a VET graduate is \$56,000; in contrast, the median salary for bachelor degree graduates is \$54,000.¹⁵

Valuable skills

VET teaches students valuable skills that are relevant to Australia's changing workforce needs. For example, according to a 2016 Australian Government report, the VET sector currently provides training courses for nine out of 10 occupations predicted to have the greatest growth of jobs in the foreseeable future.¹⁶

The community services sector remains a fast-growing industry in Australia. One quarter of new jobs created annually are in this sector, which includes allied health, disability and aged care.¹⁷ For instance, usage of allied health recently grew by 43%¹⁸ in a decade and aged and disability support lately experienced a 17%¹⁹ increase in yearly job advertisements.

Higher employability

VET graduates have higher employment rates than university undergraduates. According to the CICA report, more than 78% of VET graduates are employed after training while only 69% of bachelor degree graduates possessed full-time employment.²⁰

COVID-19 and employment stability

COVID-19 has disrupted the Australian job market, which has recently suffered a significant downturn. Australia's economy has experienced its first recession in almost 30 years with the nation's gross domestic product (GDP) shrinking by 7%.²¹ This has rendered many jobless wherein almost 600,000 Australians became unemployed due to COVID-19 in April 2020.²² The University of Melbourne also estimates that without government financial programs such as JobKeeper, which maintains a formal link of employment for people that are unable to work due to COVID-19 restrictions, the nation's jobless rate could be as high as 11.7%.²³ Consequently, new employment opportunities have subsequently been scarce and increasingly unstable.

However, despite the challenges of COVID-19, many industries offer employment stability. The community services industry will likely emerge as stable both during and after the pandemic and its economic impacts subside. This is because the Australian governments provide the required funding and support. Due to the social contract between the governments and the community, these essential services are subsequently expected to continue unhindered.²⁴

Conclusion

VET is central to Australia's economic growth, its business productivity and employment outcomes. A strong and prosperous economy that delivers the professions that Australia needs requires a well-functioning VET system.²⁵

breakthru believes that a VET education is highly attractive because VET courses:

- have eased entry requirements;
- have lower fees; and,
- afford graduates with valuable skills, stronger employability, income outcomes and stability.

Given that the Australian community services sector continues to rapidly grow, studying VET equips students with the capabilities to capitalise upon this opportunity, successfully nurture a career and build a sustainable future.

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