



# CHARLES DARWIN UNIVERSITY

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Submission to: Senate Select Committee

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Re: Jobs for the Future in Regional Areas

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Office of the Vice-Chancellor/ Charles Darwin University / Darwin NT 0909/

September 2019

## Introduction

Charles Darwin University (CDU) welcomes the opportunity to respond to the *Jobs for the Future in Regional Areas Inquiry*.

By way of context, CDU is unique among Australian universities. No other single Australian university serves such a large area of the continent, in such a remote and undeveloped location, or with such a small population to sustain it. While the Northern Territory (NT) covers more than seventeen percent of Australia, it is home to just over one percent of the population, thirty percent of whom are Indigenous, compared with around three percent of the general Australian population.

Charles Darwin University's predecessor institution, the Northern Territory University (NTU), was Australia's first dual sector university, providing, as the only university based in the Northern Territory, both Higher Education and Vocational Education and Training programs. NTU, and subsequently CDU, were conceived to support the economic, environmental, cultural and social development of the Northern Territory, and as such have provided the knowledge and human capital that have sustained the development of the NT for almost 30 years. CDU is intimately connected to the Northern Territory and its future and will continue to deliver the education, skills and new knowledge, through research, needed to underpin the future prosperity of northern Australia and our region more broadly.

Today CDU has around 12,000 Higher Education and 9,000 Vocational Education and Training students, who study through our campuses and centres in Darwin, Palmerston, Katherine, Alice Springs, Nhulunbuy, Tennant Creek and Jabiru in the NT, or our centres in Sydney, Melbourne, Adelaide or Cairns, as well as online. CDU also provides face-to-face training at over 100 regional and remote locations throughout the NT on a drive-in drive-out basis, where staff deliver short programs based on community needs.

As one of Australia's first on-line higher education providers, we continue to provide access to post-secondary education for people in regional and remote areas throughout Australia – indeed 70% of our higher education students live outside the NT. Many of these study part time, fitting study around work and family commitments because they do not have the opportunity to access an on-campus experience from their home location.

Although CDU is a relatively young university, we have achieved excellence in many areas of teaching, learning and research, being ranked by Times Higher Education in 2019 the 101-200 range of the world University Impact Rankings, 49<sup>th</sup> in the world for Sustainable Cities and Communities, 86<sup>th</sup> in the world for Good Health and Wellbeing, 100<sup>th</sup> in the world in Reducing Inequities, in the Top 150 world universities under 50 years old and 28<sup>th</sup> in the World Millennial Universities ranking.

## Submission

This submission responds to the Inquiry Terms of Reference item:

### ***e. measures to guide the transition into new industries and employment***

#### ***(iv) the role of vocational education providers, including TAFE, in enabling reskilling and retraining;***

As a dual sector tertiary education provider, and the only university based in the Northern Territory, Charles Darwin University (CDU) has an important role to play in guiding the transition of the Territory and Territorians into new industries and employment, particularly in the area of reskilling and retraining to enable Territorians to meet the challenges and opportunities of future jobs.

In this context, CDU has considered the emergence of Industry 4.0 (the fourth industrial revolution trend towards automation and technological connectedness in manufacturing and processes) and global and national developments and opportunities to assess the current and future workforce skills required to support NT uptake of Industry 4.0 and the impact of these requirements on training design, delivery and trainer/assessor capability.

Since the concept of Industry 4.0 emerged in 2011, there has been considerable international attention given to its potential impact and implications on industry and jobs. Research has shown that the implications of Industry 4.0 extend far beyond the information technology and advanced manufacturing sectors to business processes across a wide range of sectors, including small to medium enterprise (SME), start-ups and the corporate sector. Traditional barriers that SMEs face in accessing technology and skills loom even larger in the context of increasingly rapid technological and economic change.

SMEs account for 99.8% of the Northern Territory's (NT) business sector<sup>1</sup>. There are therefore important implications for CDU in the way skills and knowledge are developed and deployed in the workplace to meet the challenges and opportunities of jobs of the future, both within the NT and elsewhere where CDU provides education and training.

Regional and remote areas such as the NT rely heavily on employees with a vocational education background. More than 70% of occupations filled in the NT at the 2016 census required a VET qualification from a Certificate I to Advanced Diploma.<sup>2</sup> The 2018 Northern Territory Skilled Occupation Priority list<sup>3</sup> indicated that almost 60% of occupations identified through industry recognition and government economic modelling, require employees with a VET qualification. Labour market projections for the NT from 2018 to 2023 indicate the top five employment growth sectors will require occupations with VET qualifications. Skill level employment projections to 2023 also show cumulatively there is a 21.4% growth rate for employees requiring a VET qualification, from Certificate I to Advanced Diploma<sup>4</sup>.

CDU, as a public provider, works closely with government and industry to ensure training requirements in the NT are adequately supported and that training profiles align to local economic development

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<sup>1</sup> <https://business.nt.gov.au/publications/publications/business-bulletins/previous-years-business-bulletins/business-bulletin-archived-2018/july-to-september/business-bulletin-30-august-2018>.

<sup>2</sup> Australian Bureau of Statistics. (2018). *2016 Census Community Profiles – Northern Territory*. Retrieved from: [http://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/communityprofile/7?opendocument](http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/communityprofile/7?opendocument), accessed 9/01/19

<sup>3</sup> Northern Territory Government. (2018) *Hard to fill jobs in the NT*. Retrieved from: <https://nt.gov.au/employ/for-employers-in-nt/hard-to-fill-jobs-in-the-nt>, accessed 9/01/19

<sup>4</sup> Australian Government Department of Jobs and Small Business. (2018). *Labour Market Information Portal*. Retrieved from: <http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections>, accessed 8/01/2019.

opportunities and employment outcomes. Public provision of VET that is connected to local industry demand produces highly employable graduates. In 2017, 86.9% of CDU VET graduates were identified as being employed within four months of graduation. Private VET providers are not required to have the same connections to government and industry or employment outcomes in what they deliver. It is therefore important that regional areas have access to strong, well resourced, comprehensive public training providers if they are to prosper.

It is particularly critical in regional areas that reskilling and retraining programs are directly linked to available employment outcomes. In some regional areas such as the NT and Western Australia, major projects can create short to medium term labour demand and local economic benefit but longer-term employment instability. Similarly, when a major industry goes into decline in a regional area the consequences for the labour market are often far more severe than in larger cities and centres where there is diversification in employment and job opportunities. TAFEs can play a significant role in employment transition by reskilling and retraining workers into other local industries to support more sustainable regional employment.

Reskilling and retraining, however, involves a separate set of issues to standard training programs developed to skill first time students embarking on a career. Reskilling and retraining focusses on people who are largely already in employment, who have some existing skills, and do not necessarily want to undertake complete or full-time requalification. Rather, they prefer to take short, flexible, out- of-hours training in specific areas, which can sometimes be problematic and expensive for larger public VET providers in regional areas like CDU to deliver due to the constraints of their Enterprise Bargaining Agreements (employment costs and conditions) and regulatory impediments to fast-to-market training design and customisation. In regional areas there may also be a shortage of suitably qualified trainers and/ or limited capacity for training providers to invest in new training models and upskilling of training staff to deliver new and customised short courses in speciality areas to meet job demand. Another significant issue for CDU as a regional provider in an area with a relatively very small population, is the likelihood of low student enrolments, making developing and delivering customised reskilling and retraining courses economically unsustainable under current funding regimes, even if there is demand and local job opportunities.

CDU is of the view that the current pattern of entry level full (1-4year) qualifications linked to specific occupational outcomes will need to give way to more flexible models able to address specific skill configurations required in different workplaces and with emphasis on technical and technological competency and cognitive skills that will improve the portability of skills into different contexts and occupations. It is apparent that business is increasingly less concerned with accredited training for their employees than they are with training that meets immediate skills needs through micro credentialing and experiential learning, often within the workplace. While this approach has benefits for the employer and employee, it requires considerable investment on the part of training providers to establish and maintain partnerships with industry and develop programs to meet these needs in a thin market – investment that is not able to be adequately resourced under current funding regimes.

An important aspect of retraining and reskilling that training providers need to address is Recognition of Prior Learning (RPL) and skills recognition. Workers seeking retraining and reskilling have existing skills that need to be acknowledged, assessed and verified so that new training builds on existing skills rather than covering old ground. It is important that existing skills and prior learning are adequately assessed by the training provider. There should not be an assumption that original training was of an adequate standard to build on for reskilling. CDU has experienced this in remote and very remote communities in the NT, where

the training students may have received from other providers has been culturally inappropriate, non-compliant and did not meet Language Literacy and Numeracy standards. Public training providers are well placed to make holistic assessments on reskilling and retraining and any additional training gaps that may require support in these situations.

As a dual sector university, CDU also has a role to play in not only reskilling and retraining workers through the VET system, but providing pathways and opportunity for students to further upskill through the higher education system and still remain within their regional community. This is important for regional workforce stability and retention, as people do not have to leave the NT to gain qualifications ranging from short courses, Certificate level training through to Bachelor and postgraduate degrees.

In conclusion, public training providers have an important role to play in retraining and reskilling the workforce of the future in regional areas, being, in general, long term providers who are closely connected to the communities in which they operate and committed to the long-term prosperity of those communities. They work closely with government and industry to assess and respond to current and future local workforce skills needs and can offer a relatively comprehensive suite of programs to support a diversity of skills and retraining and reskilling as job markets change and new job opportunities emerge. However, there are many challenges and constraints in providing these services in a regional setting that national and state funding and regulatory systems need to address.

## Summary

- Public training providers have an important role to play in retraining and reskilling the workforce of the future in regional areas, being, in general, long term providers who are closely connected to the communities in which they operate and committed to the long-term prosperity of those communities.
- Public training providers work closely with government and industry to assess and respond to current and future local workforce skills needs and can offer a relatively comprehensive suite of programs to support a diversity of skills and retraining and reskilling as job markets change and new job opportunities emerge.
- Changes to delivery from traditional full (1-4 year certificate to diploma) qualifications to more specific and targeted micro-credentialing need to be considered for reskilling and retraining programs.
- Reskilling and retraining will need to take into account students' prior skills and learning and appropriately build on these.
- There are some constraints to public providers being able to offer reskilling and retraining in regional areas related to: their Enterprise Bargaining Agreements (ie employment costs and conditions); regulatory impediments to fast-to-market training design and customisation; shortage of suitably qualified trainers and/ or limited capacity for training providers to invest in new training models and upskilling of training staff; low student enrolments in some courses resulting from small regional populations, making developing and delivering customised reskilling and retraining courses economically unsustainable.
- Providing necessary reskilling and retraining in regional areas may require changes to current funding and regulatory systems to support public providers, in particular, to adequately skill the workforce for jobs for the future.