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## **SUBMISSION FROM TAFE DIRECTORS AUSTRALIA**

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August 2022

### **Jobs and Skills Australia**

TAFE Directors Australia (TDA) welcomes the formation of Jobs and Skills Australia (JSA) and provides the following input to the Senate Education and Employment Legislation Committee into the provisions of the Jobs and Skills Australia Bill 2022 and the associated National Skills Commissioner Repeal Bill 2022.

#### **Background**

TDA is the peak body that represents Australia's national network of State and Territory publicly owned TAFE institutes and university TAFE divisions. All TAFE institutes and TAFE divisions of dual sector universities across Australia are members of TDA. TDA members range from the largest registered training provider in Australia with over 400,000 enrolments (TAFE NSW) to small, regional TAFEs with significant geographical coverage such as North Regional TAFE (WA).

The primary business of TDA members is vocational education and training focusing on nationally accredited qualifications and skill sets, non-accredited training for bespoke employer purposes, and foundation skills development for all learners. TAFEs dominate the market in the delivery of apprenticeships, partner extensively with secondary schools for delivery of vocational education and training and prioritise support for vulnerable and less advantaged Australians. Of the 29 TDA members, ten TAFEs are higher education providers and a further six are TAFE divisions of dual sector universities.

TDA members are complex businesses and the main providers of training for critical Australian industries. This includes Electrotechnology – Electrician, Plumbing and Enrolled Nursing. TDA members are heavily invested in supplying skills development in emerging industries such as clean energy and cyber security, for example over 85% of Certificate IV in Cyber Security is delivered by TAFE. An individual TAFE's breadth and scope of delivery is reflected in TAFE-industry-employer-local community engagement in our cities and suburbs, and in regional and remote Australia.

The TAFE delivery model appropriately blends workplace delivery, work integrated learning, online learning, and place-based learning on campuses. TAFEs through their State and Territory governments invest in custom built learning facilities and are undertaking digital transformation to support education and business practices. The continuous industry currency of TAFE educators and skill trainers is pivotal to their ability to meet employer demands for skilled staff in their local communities and for their economies. TAFEs are not for profit organisations and multi-generation

assets. Although their organisational structures differ, TAFEs are locally embedded and continuously improving so they can provide quality outcomes for learners and deliver a skilled Australian workforce for employers.

One of the key strengths of TAFE is that the collaboration that exists between TAFEs across the country. Although pivotal to individual States and Territories economies, TAFEs collaborate nationally as the public providers of vocational education and training.

## Context

It is important, prior to outlining TDA's recommendations for Jobs and Skills Australia, that decision makers are aware of the complex eco-system within which TAFEs operate. In the current national training system TAFEs have limited autonomy. TAFEs for the last decade have been at the receiving end of the supply chain rather than at the table for the creation of appropriate training solutions for industry needs. To receive funding TAFEs must use the national training packages that have been developed by industry sub-committees. These training packages are overly detailed and specifically job focused. ASQA then regulates them resulting in compliance audits. These training packages do not develop skilled people for broad occupations. To achieve better outcomes for employers the barriers that prohibit creative collaboration and sustainable partnerships must be removed.

While TDA members are client focused and consult with their local employers and stakeholders to develop training delivery, their ability to design new training for future skill needs is limited by the complex construct of the national training system. Although closely aligned with their State and Territory governments, TAFEs have been excluded from a seat at the table in decision making. In the desire to achieve quality in a market driven system of nearly 4000 training providers, many of which are very small and for profit, the national training system has not fostered a culture of innovation.

## Comments

TDA offers these comments for consideration relating to the two Jobs and Skills Australia (JSA) Bills.

### **1. Providing advice to the Minister or Secretary in relation to: Australia's current, emerging, and future skills and training needs and priorities (including apprenticeships)**

TDA welcomes the establishment of JSA as a single and authoritative body to provide advice on Australia's current, emerging, and future skills and training needs and priorities, including apprenticeships. A body such as this has not existed for many years and there has been a clear gap.

The development of this advice must be appropriate for local economies. TDA members operate in over 550 locations in Australia, including regional, rural, and remote locations and deliver to hundreds of thousands of students. The current approach has tended to average Australia's current, emerging, and future skills and training needs and priorities and failed to be nuanced to local communities and employers. The skills and training needs in one part of Australia may not be

reflected in another region of Australia. TAFE is well positioned to provide this local advice, consistent with the priorities of their State and Territory Governments, and not driven by for-profit business imperatives.

The role of JSA is therefore to make the right recommendations to the Minister for investment in skills. Its role will be to seek advice from industry about the changing nature of the labour market. This will be enhanced by local advice from employers and demand being experienced by local TAFEs. This broader approach to gathering information will provide a better picture for where investment is needed.

## **2. Providing advice to the Minister or Secretary in relation to the adequacy of the Australian system for providing VET, including training outcomes**

JSA must create the environment that fosters innovation and enables immediate solutions for skills development in emerging industries. Current qualifications are developed for industries of today not industries of tomorrow. The current process of training package development has not encouraged (or funded) involvement by those with deep education capability, nor local employer knowledge, to enable tailored outcomes.

For example, a successful new qualification developed by TAFE Queensland to meet future skill needs in partnership with BHP Mitsubishi Alliance was the development of the Certificate II in Autonomous Technologies. This new training product was developed outside the current construct of the national training package environment and was in response to a specific employer demand.

JSA must also focus on the importance of changing job roles in existing industries and the flexibility of training products to meet these changes. For example, most existing jobs now have increased requirements for higher levels of functional digital capability. Also, some existing training products have units of competencies that TAFE partnered employers say are redundant, and yet the rigid system still requires these components to be delivered.

With a focus on outcomes, JSA must ensure that all parts of the ecosystem for skills development and qualifications are considered, and this includes students and learners. TAFEs have deep knowledge of the student voice, but for too long the design of training packages has failed to consider what is the impact on learners. This can lead to updated training products that are quite different to the training product the learner enrolled in and act as a disincentive for learner completion. For example, learners may find that an updated training package has more pre-requisites or more competencies than the one they started with. If so, the hurdle to completion becomes huge. The analysis of the impact on the learner has been low in the priority of the current complex national training system. JSA can have a role in overseeing how the industry led system encourages completions and therefore improved outcomes.

TDA members also have a large percentage of the apprenticeship market. The delivery of apprenticeships should be subject to local conditions and an industry lens. To facilitate TAFE and industry collaboration, JSA should take a role in promoting employer commitment to mentoring. It is the collaboration between employer, TAFE and student that will deliver capable employees more quickly. It is important to acknowledge that an apprenticeship now takes many forms, including Diploma qualifications in emerging industries, culturally specific apprenticeships for different regions and increased recognition of current competence. Support for the role TAFE can play in this tripartite relationship could well improve outcomes.

JSA should ensure there is a genuine commitment by industry to TAFEs being able to collaborate and co-design training solutions from the outset. Employers demand immediate solutions. TAFEs have long histories of partnering with employers to achieve these outcomes. These solutions must have a component of local responsiveness, not solutions that are only aggregated to the national situation. Employment and training committed together will support learner progression and completion.

JSA has a role in determining the adequacy of the Australian system for providing vocational education and training. TDA also supports JSA providing advice to the Minister on how the Australian system for VET can be simplified. There are many similar services and programs and a plethora of parties involved in the delivery of VET and this should be considered. This requires much more defined roles of the players in the system. The concept of training packages used to be that industry set the standards that needed to be achieved and Registered Training Organisations (RTOs) developed the training. However, over the last ten years industry has moved into the domain of the RTO by determining exactly how these outcomes are to be delivered. There is an imperative to return to a focus on industry competency outcomes.

### **3. Undertaking research and analysis on the resourcing and funding requirements for registered training organisations to deliver accessible quality VET courses**

TDA supports the leadership of JSA in the national skills partnership agreement and consequent resourcing and funding requirements for RTOs to deliver accessible, quality, responsive VET courses. The previous comments on encouraging greater innovation and responsiveness as part of the design of the national training system are important.

Within this context the considerations for JSA include but are not limited to:

- **Pricing** - TDA does not support the proposed standardisation of pricing as it inadequately considers the needs of thin markets, disadvantaged students and regional communities.
- **Full qualifications** - Continuing to prioritise funding for individuals to gain a full qualification for entry to the labour market or for career shift is critical. This focus cannot be diluted by the calls by industry for more short course funding (Microcredentials). TDA

supports changing to how RTOs are funded to be away from narrow training packages to a broader view of competence outcomes for industry represented through occupations. This will require JSA to have new considerations for how funding is linked with training products and is an important role JSA should undertake.

- **Microcredentials** - Uplifting the skills of the existing workforce cannot be underestimated in terms of industry requirements. Stackable skills sets for bite size learning are very important, and supported by TDA. JSA has a role to consider the increased demand for constant skills acquisition for those already in the labour market, including to attain functional digital fluency. JSA will need to tackle the question of who funds lifelong learning. Microcredential funding will need to be part of that solution.
- **Foundation, employability, and human skills** – JSA will be responsible for elevating the importance of foundation skills, employability skills, and human skill development for lifelong learning capability. The current group of learners not yet in the labour market generally have high needs in terms of literacy, numeracy, digital skills, and general capabilities. These factors include funding for the support they require for these additional components of learning and mentoring to enable competence. These areas need to be delivered by experts, as opposed to the industry specialist who effectively can tackle the technical skills in a training product but may not have the foundation skills to improve these outcomes for learners. For those already in the workplace, supporting human skill development will be fundamental for long term outcomes.
- **Equity and diversity** – JSA will have a role in guiding how all those living in Australia can improve their opportunities in the labour market. In a full employment market support for those with high needs for wrap around services, such as youth and mental health workers, is required. Programs that support diversity for industries, such as women in trades programs, should also be considered. The Albanese Government has made it clear that TAFEs are central to the vocational education and training system. TAFEs are the bedrock of our local communities, and the TAFE brand is an assurance of quality. However, delivering to the expectations of those communities and employers is difficult without adequate financial resources, especially in a full employment market. The social and community obligations of TAFEs mean that there is above average representation of students who identify as Indigenous, with a disability, and from low socio-economic backgrounds. Funding for literacy, numeracy, digital literacy, digital fluency, mental health services and other support services is needed to ensure those less advantaged can participate in the labour market, gain skills, and complete job entry qualifications.
- **Industry co-contribution** – JSA will need to lead the policy discussions on how industry contributes to the VET system. This can be in-kind, such as by opening workplaces to become learning environments, technology and equipment access, or it might be placing a TAFE qualified educator into a workplace. Workplace Employment Language and Literacy

(WELL) programs where TAFEs placed qualified educators onsite in certain industries used to be very successful. Another successful example includes the previous National Workforce Development Fund (NWDF) which was a co-contribution program for re-skilling of current and future business needs directly. This was also attractive to small business.

- **Capability of the TAFE workforce** - JSA must review the barriers to attraction and retention and lead collaborative discussions between providers, industry and unions to address the shared problem of a capable and adequate TAFE workforce. JSA must have a role in providing input into the Standards for RTOs if these standards are limiting TAFE ability to deliver training. More control must be given to TAFE CEOs to be able to attract industry practitioners to their workforce. This will mean a TAFE workplace will be a blend of industry specialists collaborating with professional educators. Recruitment of teachers is a whole of economy problem if it is limiting development of skilled people, and it must be collaboratively solved. Additionally, the role of a TAFE trainer is complex; they must be industry current, they must be good educators, they must deliver foundation skills, they must be able to use technology to deliver training online and they must work within complex organisations (often having previously been in small business). Thus, retention of the TAFE workforce in a full employment market is also an increasing problem, especially when salaries in industries are booming.
- **Unskilled migrants and international students** – JSA will have a role in working with government departments to determine the right policy and funding settings that will enable TAFE to support training for unskilled migrants in key industries such as aged care and for VET international student graduates to have work rights. JSA also has a role in overseeing industries that have high dependency on migration to be incentivised to train an Australian workforce.
- **Integrated tertiary education sector** – To compete in a global market, and in a market where access to a skilled workforce is in short supply, enterprises require a changed approach. TDA promotes that the regulatory, policy and funding environment must be altered to create one tertiary education system. As more jobs require higher level knowledge and skills then it must be possible to combine higher education and vocational education more easily. JSA therefore should be responsible to help to create the conditions through which this might occur. This will require funding, policy and regulatory change. Currently the disconnect between VET and higher education is not helpful for employers.

#### **4. Undertaking workforce forecasting, assessing workforce skills requirements and undertaking cross-industry workforce analysis**

TDA supports JSA's role in oversight of the entire eco-system for skills development and training, including the tripartite involvement of industry, unions, and providers. Within this context JSA will need to examine the industrial relations factors that can impact qualification demand and skills

development. JSA will also need to create the incentives that require Industry Clusters to collaborate for cross industry analysis. Additionally, JSA must encourage industry to take responsibility for learner demand; attracting a future workforce should be the responsibility of industry.

#### **5. Skills forecasting role of JSA improved by local qualitative information – collecting, analysing, and sharing and publishing data and other information**

TDA supports the core role that JSA will undertake in providing advice to the Minister on Australia's emerging and future skills, and training needs and priorities. This will include collecting, analysing, sharing, and publishing data. The current approach blends both industry requirements with emerging industry demand. However, TDA's greatest concerns is local knowledge has been inadequately brought into this picture. TDA supports a greater role for States and Territories as they are acutely aware of local skills priority requirements and the possible levers that will enable improved productivity. Additionally, TAFE is close to its local employers and therefore TAFE has qualitative intelligence and evidence of employer and student demand that should be included in planning. Retrospective data is being used to forecast skills of the future and it needs to be enhanced with qualitative current information for future skills and new capabilities in existing jobs that are specific for different metropolitan, rural and remote contexts.

In this context TDA supports the repeal of the National Skills Commissioner legislation to allow for JSA to take on this function and broaden the approach.

### **Conclusion**

TDA has briefly outlined its support for the establishment of JSA as an advisory body and for the significant leadership it will play in the oversight of both demand and supply for qualifications and skills development. TDA supports both Bills should pass. TDA acknowledges that this is first piece of legislation and looks forward to having input into the further development of Jobs and Skills Australia.