

Submission for the Inquiry into the Perceptions and Status of Vocational Education and Training

Draft 1 – Skills impact

Submission from: Skills Impact Ltd, ABN: 32 609 934 429

Overview

- VET is an important part of the Jobs & Skills System, providing one avenue to a productive Australian workforce. VET is not just a pathway to a job, it is also a way of learning that suits the needs of many, many learners.
- VET's perception and status is directly connected to perceptions and status of associated jobs
 - VET is the major source of experience-based vocational learning in Australia. It provides on-the-job or simulated work environment learning that is particularly suited to a vast range of learners. It is highly regarded by current participants.
 - VET is critically underfunded
- There may be a need to re-design current approaches, and to focus on the promotion of industries at Commonwealth level, with other supporting structures at state, territory and local levels relating more to VET. This would require appropriate funding and resources to better reflect VET as Australia's leading provider of formal education.
- Employers and Unions see the value of workplace-based learning, however less than 10% of VET is delivered as apprenticeship or traineeships, and current policy directions are making mandatory work placements and workplace-based learning harder than ever. This is having an impact on perceptions and status.
- It is important to structure systems using a tripartite and collaborative approach, while limiting duplication of work. In particular, it would be useful to establish collaborative, rather than competing, approaches that include RTOs, state and territory Industry Training Advisory Bodies, Jobs and Skills Australia, the National Careers Institute and the Jobs and Skills Councils.
- The National Training Register (training.gov.au) is an extremely valuable resource with many uses beyond the training sector as a resource for business planning, job descriptions, industrial award guidance and multiple other purposes, and it should be remodelled, maintained and promoted this way.

Introduction

Vocational Education and Training (VET) is an important part of the Australian Jobs and Skills System founded on a robust national vocational standards framework that brings together all States and Territories into a system that recognises skills consistently across the nation. Those who actively participate in VET as learners, trainers or employers tend to think highly of the system, while recognising imperfections. However, attracting participation and completion is proving to be increasingly difficult due to a range of factors that impact on the perceptions and status of VET.

Perceptions and status are often driven by realities, and many industry participants Skills Impact has worked with over the last seven years have experienced a lack of access to VET training in the right location and at the right time. While a detailed examination of this issue is outside the Terms of Reference for this Inquiry, it is an issue that will continue to colour and influence perceptions and status.

The views canvassed in this submission come from working with industry participants who are actively trying to improve the Australian Jobs and Skills System, including VET. Changes to the perceptions and status of VET will need to be based on the roles and importance of VET in the broader Australian Jobs and Skills System.

About Skills Impact

Skills Impact is a not-for-profit, industry-owned organisation that collaborates with industry, government and training providers to track industry trends and document skills opportunities and challenges. Our work helps support learners and workplaces with their skills needs, promoting employment opportunities and industry competitiveness.

Between 2016 and 2022, Skills Impact held a Skills Service Organisation (SSO) role to review and develop learning and skills standards for industry. From 2020, we have also contracted to deliver industry training advisory services in NSW.

In 2023, we are pleased to be establishing Skills Insight Ltd to manage one of ten Jobs and Skills Councils, to represent industry sectors including:

- agribusiness
- ecosystem and biosecurity management
- animal care and management
- racing and breeding
- forestry, wood and timber products
- pulp and paper
- landscaping
- fishing and aquaculture
- meat and seafood processing
- furnishings
- fibre and textiles
- clothing and footwear

On behalf of the industries we work with, Skills Impact has promoted and supported opportunities for improvements and reform of VET.

General Approach to Perception and Status of VET

Before specifically addressing the terms of reference, Skills Impact would suggest it is worth looking at the roles and importance of VET. Currently, government departments at federal, state and territory levels view VET as a third tier of education to complement school and university. This ignores the unique form of skills development that is central to VET, on the job learning in a structured manner, and results in an approach to education and training that increases uniformity in the methods and modes of delivery, particularly in relation to the current and growing trend of taking training out of the workplace and delivering it almost exclusively in classrooms and via online delivery. This is not only impacting perceptions and status, but also affecting access and delivery, especially to learners who experience disadvantage, who seek careers in fields with lower job volumes (which are still important to the Australian economy) and who live in Regional, Rural and Remote (RRR) Australia.

Skills Impact suggests a different approach, one that positions VET as an important part of the Jobs & Skills System. VET provides an avenue to a productive Australian workforce, as does school, university, informal training, supplier and industry body provided learning, Colleges of Advanced Education and experience, both in the workplace and in the community.

As with the other forms of learning, throughout a person's life, opportunities and choices will open up in the jobs and skills system. Which choice is made is dependent on the learning-style preferences, workplace opportunities and policies (e.g. different supports for staff training), access to funded opportunities, time available for learning and a variety of other employment, personal and community considerations.

In this context, VET is the major source of experience-based learning in Australia. It provides on-the-job or simulated work environment learning that is particularly suited to the vast range of learners who prefer more activity-based learning, or who in their personal circumstances (especially related to current work requirements, family situations or experiences of disadvantage) need to do work-based (and often place-based) learning. VET is not just a pathway to a job, it is also a way of learning that suits the needs of many, many learners.

Topic 1

Information available to students about VET qualifications and related career pathways along a student's journey through secondary schools, vocational education, higher education, and work transitions, with a focus on how this combines with other sources of advice, including informal advice, to influence student choices, and how Commonwealth funded information for students about VET may be improved

Introduction

There is no easy answer to address this topic, which various federal and state departments have been grappling with for years. In 2021, out of a total population of 25.7 million people (source: ABS), there were 4.3 million students enrolled in VET programs (source: NCVER), approximately 16.7% of the population. Compare this to Universities, which in 2020 had 1.63 million students enrolled including international students (source: Universities Australia) and just over 4 million students in schools (source: ABS), in spite of the excessive disparity in funding between the sectors. The university sector receives approximately 4 times the funding of VET with fewer students (equal on a full-time basis, but this doesn't take into account the vocational nature of VET) and true VET delivery models are far more expensive to deliver than delivery modes for universities. Status is directly impacted by the level of funding and on a funding basis alone, universities receive 4 times the status by Governments as a result of funding as compared to VET. The solution to this problem is obvious but not easy.

While the 4.3 million enrolled students will include visitors to Australia's shores, it is still a fairly remarkable statistic, and begs the question, is the issue to be addressed really about information availability and student choices? We understand that there has been consistent feedback for years that learners and employers find the system difficult to navigate (sources: NCVER, various VET reviews and departmental communications), but we'd suggest that the enrolment, student outcomes and satisfaction figures are at odds with this feedback.

There are underlying assumptions in this topic which may need review, including whether federal funding should be directed to the level of information provision the topic statement would suggest, whether the concept of career pathways still has a role to play, and whether there needs to be greater focus on targeting to the many different learners who currently use VET (54% cannot be categorised as school leavers, even in the most generous of definitions – see below).

There may be a need to re-frame the planning and design of current approaches, including the promotion of industries at Commonwealth level, and leaving promotion of VET specific qualifications and pathways at school and Registered Training Organisation (RTO) levels. State and territory Industry Training Advisory Bodies could play a role in connecting employers and RTOs, if they were better resourced. This would require appropriate funding and resources to better reflect VET as Australia's leading provider of formal education.

Discussion

The VET system is necessarily complex, and this topic highlights some of the areas of complexity. One example is the nature of students who utilise the system. Skills Impact has identified a variety of learners, including:

- Students in school starting VET in Schools
- School leavers with no post-school qualifications, who may either be working or no in the workforce
- Career starters who may have been unemployed or not in the workforce for a variety of reasons, including recent arrivals in Australia or students from remote communities
- Career developers and career changers who are looking to add skills or transition between roles
- Students needing to get skills for regulatory and compliance purposes, or to upskill with specialist skills

Within each of these groupings are areas of structural and personal disadvantage which we are becoming better at defining (and sometimes addressing), many of which we need to better understand and address.

In many cases when this topic is raised, the focus is on the school pathways (VET in School and school leavers), but this topic needs to be considered more broadly, as the usage of VET demonstrates. A study in 2020, (Circelli, M & Stanwick, J 2020, *Initial and continuing VET in Australia: clarifying definitions and applications*, NCVER, Adelaide) noted that:

“... in 2018, for nationally recognised training:

- *54% of enrolments in nationally recognised programs are by 25 to 64-year-olds*
- *By qualification level, the proportion of 25 to 64-year-olds enrolled in VET varies from 29% for certificate II enrolments to 74% for certificate IV enrolments*
- *48% of 25 to 64-year-olds enrolled in VET already held a certificate III or above as their highest prior qualification*
- *34% of 25 to 64-year-olds enrolled in VET were in full-time employment when they enrolled, with 17% employed part-time, and 28% either unemployed or not in the labour force*
- *39% of 25 to 64-year-olds enrolled in VET who had no post-school qualifications were either unemployed or not in the labour force.*

“It is worth noting that the type of course or learning that those aged 25 years or older require is often not a complete qualification. Indeed, the data show that, for this age group, 33% of enrolments were at the sub-qualification level (including 28% enrolled in subjects only). This compares with 15% of 15 to 24-year-olds (with 11% enrolled in subjects only).”

Another example of the complexity of VET is the nature of the marketplace using the information. There is a lack of recognition of complexity of the “market”, which could variously be described as:

- The Skills and Labour market – employers compete for workers with appropriate skills
- The Job market – in which potential employees compete for jobs based on skills and qualifications
- The Education market – public and private formal education providers (Universities and RTOs) compete to provide formal qualifications, accessing the best funding available to support their business delivery options
- The Training market – formal and informal training providers, including in-house, member-based association and supplier training, compete to provide training to learners
- Geographic markets – in which areas at State, Local Government and rural, regional and remote (RRR)-level compete to attract population, workers and industries
- Government led jobs support market - In which governments demonstrate their support for voters and their state economies by promoting selective VET sector credentials (often through free tuition) and the publication of State-based Skills Priority Lists

Another level of complexity exists in the tremendous diversity of Australian industry. Australia's geography, topography, demography and climate result in Australia having one of the most diverse industrial bases in the world supported by a relatively small population base compared to countries facing equivalent challenges. The agribusiness sector is a prime example, with very few countries able to match Australia's variety of produce and our need for expertise on the range of practices from dry farming to tropical farming.

While there are other levels adding complexity, the point is that the system is necessarily complex. Too often, solutions are sought to artificially reduce complexity, often by trying to use "one-size-fits-all" solutions or by trying to identify commonalities without taking into account context or critical success factors, such as risk management and responsibility levels. This does not meet the needs of industry from employer or employee perspectives. Simplifying complex systems does not come from single solutions, but from re-framing of planning and design approaches.

The information challenge is difficult, at best. It is unlikely that national solutions are going to be able to meet local needs. While departments, agencies and careers advisors continue to look for simplified solutions, key stakeholders including employers, learners and parents, are looking for much greater detail that specifically relates to jobs and future potential. This includes the nature of skills required because while some occupations may look attractive to a wide range of learners, learners may have specific weaknesses that don't allow them to develop the full range of required skills and become non completers by necessity. They are not suited physically, temperamentally, culturally or intellectually for the job role they started learning.

We noted earlier the link between the status of jobs and the status of VET. Given this, national approaches may be better focussed on building the reputations of industries as great places for occupations, rather than trying to provide information for a student's journey (especially as students are likely to undertake multiple journeys, and career pathways are only parts of those journeys). We would certainly recommend greater financial support for state and territory Industry Training Advisory Bodies, to enable them to play a much greater role in information provision to employers, through facilitating partnerships between RTOs and employers.

The data appears to indicate that the cause being identified, difficulty of navigation due to complexity of information, may not be as critical as may first appear. There may be issues for employers and learners being unable to access the training they want and need in a local, timely and relatively simple manner (dealing with local suppliers) and therefore having to navigate through the highly complex opportunities and choices that exist on a national basis. Another cause may be difficulty in accessing timely and effective information that allow learners to take up job opportunities that include VET training (through apprenticeships and traineeships). Re-framing is likely to result in a number of stakeholder issues being identified and met, based on the needs of the various employers, learners and markets.

Topic 2

Perceptions and status of the VET sector and how this may be impacting student enrolment choices, employer engagement, and recruitment and retention of the VET educator workforce, and how perceptions and status of the VET sector can be improved. International best practices in relation to VET perception and qualifications status should be examined

From industry perspectives (and we acknowledge there will be other important perspectives), the perceptions and status of VET are directly dependent on the effectiveness of being able to access a safe, competent and efficient workforce to meet local needs. This includes all aspects of attraction, recruitment, retention and stability of workforce access.

Employers and Unions both see the value of workplace-based learning, however less than 10% of VET is delivered as apprenticeship or traineeships, and current policy directions are making mandatory work placements and workplace-based learning harder than ever.

The position of close to full employment over a considerable period, taken together with rapidly changing technology, have changed the perceptions of jobs in our society. Where previously, workers were willing to work in difficult conditions, there is a greater range of work choices, especially with the increasing range and coverage of Australian industry. There are many workers looking at overall lifestyles, and not just the level of salary or wage on offer. This includes workers who are trying to keep family units within close proximities and many Aboriginal and Islander workers who have found new ways to work on-country. This can detrimentally affect VET perception given the lack of delivery and scope of delivery (limited options for qualifications) available in these locations.

Skills Impact suggests that promoting the perception and status of industries and the jobs within those industries will do more to lift the perception and status of VET than any direct support of the VET system.

One question that needs to be considered is the position of trades, apprenticeship and traineeships in Australia. Successive governments at all levels have become reluctant and/or slow to identify that recognised trades should no longer be just the traditional trades. While there are disadvantages to the formal recognition of trades, these may well be outweighed by the benefits to industry of this recognition. In particular, consideration needs to be given to the recognition of job roles in higher risk and responsibility categories (considering work safety, thin markets, labour shortage and cultural work to name a few) as trades which require important specialised skills. Job roles such as farm work, arboriculture, fishing and Indigenous Rangers would benefit from formal recognition as trades beyond the issue of a qualification, given the various risks and responsibilities associated with these roles.

The availability of the VET educator workforce is another complex problem. VET educators need to be able to demonstrate industry, educator and assessor expertise. We note that the recent update to the TAE Training Package has been designed to alleviate this issue, and the results of this approach will be interesting to follow over the next few years.

One of the bigger issues with attracting VET educators relates to rapid technological development. The people who initially know the technology are usually involved in its development. The technology is usually shared through commercial enterprises, so experts in the technology become greatly in demand as members of sales teams and the trainers used by the commercial enterprises. Until the technology has become common enough to require broader training, there is no call for VET educators on the technology, but when the demand is high enough, there are no qualified educators because they are involved in development, sales and proprietary training. As a result, there is usually a significant and unavoidable lag between technology becoming widespread and qualified VET educators being available to deliver training on the technology. Without the proprietary training workforce, the technology cannot become widespread, and it is not until after it is widespread that VET training become viable, and even longer until they can attract suitably qualified trainers.

The perception among employers is that RTOs are not keeping up with technological development and are unable to offer this training in a timely manner, and that in this environment, by the time RTOs are able to deliver training, the technology has moved on. This perception is based on a reality that requires greater consideration.

Topic 3

Successful partnerships between VET providers and employers that have demonstrably created career pathways and secure employment opportunities for students, considering the best practice elements of these successful partnerships, and how more partnering may be encouraged among VET providers and employers

Over the last few years, the role of industry leadership in the VET system has been limited to the development of Training Packages. This will be likely to change with the introduction of Jobs and Skills Councils. This appears to be a potential vehicle for more partnering between VET providers and employers.

The roles of State and Territory Industry Training Advisory Bodies (ITABs) has been critical in developing partnerships between employers and RTOs, and much has been achieved by them despite an extreme paucity of resources (please note that Skills Impact is contracted to manage an ITAB in NSW).

As there are others better qualified to comment, we will only suggest the Committee may want to:

- Invite specialist RTOs, such as the agricultural colleges (for example, TOCAL and Longerenong Agricultural College) to provide submissions to the committee, given their reputations within industry
- Consider the work of thoroughbred breeders in NSW, working with Training Services NSW, who have recently been undertaking an attraction program in partnership with RTOs. This has proved to be a successful pilot, though there have been issues relating to RTO delivery
 - We would also recommend hearing from Thoroughbred Industry Careers based in NSW which has also undertaken innovative approaches but has struggled to achieve a partnership with an RTO for ongoing delivery
- Consider the work of Humpty Doo Barramundi, which has recently been working with local schools and VET providers to introduce students to aquaculture (similar programs are also undertaken elsewhere in Australia)
 - This work is supporting broader industry work by Seafood Industries Australia around diversity and attraction of workforces

These are just a few of the most recent examples we have come across in our work. We are sure that there are others who will be able to provide a wider and better range of examples.

Topic 4

Commonwealth programs which could influence the above, and intersections with state and territory, industry, and philanthropic efforts, including any structural barriers to improvement

It is highly likely that the new Jobs and Skills Council program will influence the challenges being examined by the Committee, and those working to establish the new Councils (including Skills Impact) appear to be working towards these goals (and others) as they establish themselves.

The industries we work with have been strong supporters of VET Reform and have tried to contribute viewpoints and options over recent years. It is anticipated that the development of Jobs and Skills Councils will support greater access and receptivity to the voice of industry in VET reports than has been available over the past few years. It is hoped that the new system will be based far more closely on taking a tripartite and collaborative approach, while limiting duplication of work. In particular, it would be useful if we can establish collaborative, rather than competing, arrangements that include RTOs, state and territory Industry Training Advisory Bodies, Jobs and Skills Australia, the National Careers Institute and the Jobs and Skills Councils.

A significant structural barrier is the failure to recognise the National Training Register (training.gov.au) as an extremely valuable resource with many uses beyond the training sector. The National Skills Commission launched a program to develop occupation profiles, which lists tasks and occupations, where the National Training Register already does this, with extensive industry input. Because of the artificial descriptions of the contents as being qualifications and units of competency, and systems design (including funding and regulation) being based on those concepts, there has been a failure to recognise:

- They are actually occupation profiles and skills standards in their own right, and also include the requirements of evidence to prove competency
- They are (incorrectly in our view) allocated a single ANZSCO Code, often an inappropriate code, over which industry has no control, despite industry designing qualifications that cover skills that can be applied in multiple job roles (industry approaches to try to get multiple ANZSCO Codes allocated where appropriate have been unsuccessful)
- If provided and updated as a resource for business planning, job descriptions, industrial award guidance and multiple other purposes, and promoted this way, it would be an extremely valuable asset for industry improving the perceptions of VET
- The current qualifications reform, which is an important and needed process, may lead to these occupation skills standards becoming less relevant in the future, because the register is seen as being about qualifications and not about occupations – this should be deeply considered during the current reform process

Thank you for the opportunity to submit. We would be happy to present further at a hearing, should that assist the Committee.

Yours sincerely

Michael Hartman
CEO