



Submission to the House of Representatives  
Standing Committee on Employment, Education  
and Training inquiry into the perceptions and  
status of vocational education and training

Joe Newbery, 27<sup>th</sup> February 2023

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## Who are we

Newbery Consulting is a private business that provides consulting and other services to the Australian Vocational Education and Training (VET) sector. Over the period since 2005, we have provided services in support of advancing the quality of vocational education and training including quality auditing for State and Commonwealth agencies, assisting clients with their applications to the relevant VET regulator, and assisting clients to improve their compliance with standards. We take our commitment to support the VET sector and to protect the interests of students participating in VET very seriously. We deliver services remotely to all states and territories and have staff working in QLD, NSW and VIC.

We engage with VET providers of all shapes and sizes including public, private, enterprise and community. We actively publish articles to assist providers to better understand VET regulation and to promote good practice in training and assessment. We distribute a popular national newsletter to thousands of VET providers and practitioners. We engage with the National VET Regulator every week sometimes on numerous occasions in relation to client matters. We distribute products to support our clients to comply with VET regulation including AVETMISS compliant student and learning management software. We understand the lay of the land in the Australian VET sector as well as anyone and are supported by a massive network of clients and other stakeholders.

## Introduction

This inquiry is potentially another key moment in the history of the modern VET sector which began in the early 1990's. Perception and status is intrinsically linked to the way VET services are delivered and is informed by the structure of the VET sector and the funding of VET pathways. Politics also plays a significant role in perception but also in shaping the delivery of VET services. If you look back since 1990 at the key market structural and funding reforms initiated by government, you will note that significant change in the VET sector is often influenced by the political will. Some notable reforms include:

- 1991 - the introduction of National Framework for the Recognition of Training during the Hawke Labor government to establish a framework of nationally recognised qualifications based on a competency based training and assessment delivery model. This reform was the foundation that enabled VET to be delivered nationally against a common standard and to enable portability between workplaces.
- 1992 - the introduction of the Australian National Training Authority during the Keating Labor government to support quality training, and ensure that training

providers responded to industry, community and individual needs. This initiative led to the establishment of industry training packages written to a common standard and the publication of VET industry foundation policy.

- 1995 - the National Competition Policy was introduced during the Federal Keating Labor government which was introduced to further the deregulation of the economy and to ensure that government entities did not enjoy any net competitive advantage as a result of their public sector ownership. The development of a contestable VET market in following years was an endorsement of this policy, with the end purpose of achieving the most efficient and effective provision of publicly funded VET (Bowman and McKenna 2016)<sup>i</sup>.
- 1997 – the User Choice funding initiative was introduced during the Federal Howard Coalition Government to increase the responsiveness of the vocational education and training system to the needs of clients through the encouragement of a direct and market relationship between individual providers and clients (Smith 1998)<sup>ii</sup>. The reform led to the explosion of VET provider numbers (public and private). In 1998 alone the highest number of initial RTO registrations was experienced with a total of 1650 initial registrations of which approximately 770 were private VET providers (Korbel and Misko 2016)<sup>iii</sup>.
- 2012 – the introduction of a minimum training entitlement funding model during the Federal Gillard Labor Government. This entitlement aims to create a more accessible and equitable training system by ensuring that all working-age Australians have access to a government-subsided training place up to their first certificate III level qualification (Bowman and McKenna 2016).

These were a series of reforms progressively introduced by governments all conceived and implemented with the best intention for the economy and no-doubt according to a government agenda. Noting the value and amazing contributions of these reforms, we should acknowledge that there is always a political dimension to the shaping of VET policy. Whilst the Keating government in pursuit of broader market deregulation introduced the National Competition Policy it was the Howard Coalition government that introduced the contestable VET market through the National Agreement on Skills which remains a feature today. Given the economic performance of the Australian economy over the period 2010 – 2020, I think on most measures our current VET market has served the country very well over this time. The Australian Trade and Investment Commission said in its *Why Australia Benchmark Report* that “Australia continues to outperform most advanced economies”

(Austrade 2022)<sup>iv</sup> and provides a glowing report on the strength and resilience of the economy.

Now let's jump to today. We have a federal Labor government. We have a Labor left faction Minister for Skills and Training and a Labor left faction Prime Minister. Here is an extract from the ALP National Platform publication of 2021 where it asserts that:

***“The competitive vocational education and training market has led to significant market failure. Public funding to private providers has led, in too many cases, to exploitation of students and profiteering at the expense of the taxpayer.”<sup>v</sup>***

Now, this assertion as part of a policy position says to me that the ALP consider that the contestable VET market has failed, and it is the fault of private VET providers who are exploiting students and are profiteers. Personally, having given almost my entire adult life to the advancement of VET in Australia, this statement offends me. It offends me because I know that the vast majority of private VET providers are honest hard working people in family businesses servicing their local industries and communities. These are people who engage with industry to deliver customised training and often niche courses that industry would otherwise not be able to access. These people are employers and entrepreneurs, they have invested and endured through the difficult time such as during COVID where many pivoted overnight to adapt the delivery of their training to keep critical industries moving. The government should be asked on what basis does their party claim that the *“competitive vocational education and training market has led to significant market failure”*. What market failure are they referring to? Are they referring to the skills shortage? We are experiencing a significant skills shortage right now and likely will for some time. I would recommend that the committee get some research done on what the primary causal factors are of our current skills shortage. My own analysis would indicate that the primary causal factors are:

- **Baby-boomers leaving the workforce.** Right now, we are approaching the peak of baby-boomers reaching retirement age. In 2021, approximately 126,000 people reached retirement age in Australia and in 2026 that is forecast to peak at approximately 137,000 people retiring in just one year. To put that in perspective, in the year 2000 that number was approximately 43,000 people retiring (ABS 2023)<sup>vi</sup>.
- **Boarder shutdown during COVID.** We have an economy where the demand for skills is outstripping the size of the workforce. This has been the case for the last 15 years. We rely on skilled migration and efficiencies gained through technology to fill those gaps. During COVID, skilled migration together with other migration stopped. In

2020-2021, we had a net loss of 85,000 people due to the reduction in net overseas migration (ABS 2023)<sup>vii</sup>.

- **Changes to the labour market.** In 2023 there is just more competition for labour. The last decade has seen new occupations emerge at an alarming rate. Advancements in technology in jobs involving robotics, artificial intelligence, cloud SaaS, cyber security, the energy economy are displacing traditional occupations. The rise of gig economy jobs leading to people choosing to perform flexible freelance work instead of permanent employment is leading to these people not being available for traditional trades. I think you also need to factor in our current second mining boom that is pulling labour out of other industries. I live at Gunnedah NSW and we have 19 year olds walking into mining jobs on 100K per year. You combine the explosion in tech/energy occupations and the mining drain and then you can start to realise why we are struggling to get new starts as an apprentice plumber on \$58,000 as a first year apprentice.
- **Full employment.** We are essentially at full employment. Anyone who is not employed right now is either unable to work or will not work. As of January 2023, the employment rate was 3.5%<sup>viii</sup>. I remember when “full employment” was meant to be 4.5%. The problem with full employment is there are less people who need to undertake training. We have clients offering up to 15 places in training for aged care courses linked with a traineeship opportunities. They advertise for months and are lucky to get 3-4 enrolments. There just is not enough people and clearly that is not the fault of the VET sector.

I wasn't invited to the Jobs and Skills Summit, but surely these things were discussed? I have read the available Issues Papers, the Terms of Reference and the Outcomes published on the 2<sup>nd</sup> September 2022 and I didn't see anything about dodgy private VET providers being the blame for everything. So, I ask again, on what basis does ALP claim that the “competitive vocational education and training market has led to significant market failure”. What is the evidence of a market failure? What is the evidence that “*public funding to private providers has led, in too many cases, to exploitation of students and profiteering at the expense of the taxpayer*”? Over my time, I have assisted all types of providers respond to breaches in relation to VET funding contracts. Non-compliance with the standards happens to everyone. It is not unique to public or private VET providers.

The perceptions and status of VET is often associated with the debacle known as the VET FEE HELP Scheme. This is the go-to for people wanting to tear down the private VET provider market. This was a program introduced by the Rudd Labor Government in June

2008 which ran through to October 2016 when the Coalition Government finally ended it. There were private VET providers who took advantage of this scheme, but the reality is these providers represented a fraction of the VET provider market. The controversy and drama around the VET FEE HELP Scheme has meant that whenever the name of this program is uttered, people automatically go to a negative paradigm. Personally, that was not my experience. I worked with some of our great clients during 2012-2016 who were approved in this program at its very inception, and they delivered great training, in great facilities and in full time programs. Those courses changes students' lives for the better, but nobody talks about those positives.

The other thing nobody wants to talk about in relation to the VET FEE HELP Scheme is how the Department of Education and Training were asleep at the wheel and performed what only can be described as one of the best examples of public maladministration so far this century. Let's face it, if you poorly design a program worth billions of dollars and then implement it with insufficient monitoring and guardrails, the result is inevitable because there are these dirtbags in society that will take advantage. In an Australian National Audit Office (ANAO) report issued in 2017 titled *Administration of the VET FEE-HELP Scheme*<sup>ix</sup>, the ANAO undertook an audit to answer some very specific questions about the VET FEE HELP Scheme and gave the following answers:

- Were strategic and operational risks identified and addressed in the design of the expanded VET FEE-HELP scheme? – Answer - **Not adequately;**
- Were arrangements in place between agencies to monitor implementation risks? – Answer - **No;**
- Did the approval process for VET FEE-HELP provider status effectively mitigate risks to the scheme? – Answer - **No;**
- Were approved VET FEE-HELP providers effectively monitored and regulated? – Answer - **No;** and
- Were payments to approved VET FEE-HELP providers effectively controlled? – Answer – **No.**

The above question and answers are abbreviated, so please refer to the [actual report](#) for the full findings. I suppose the point to make is, if you give a group of young boys a box of matches and ask them to wait up at the hay shed, you would have to be terribly ignorant to think that one of those boys is not going to pull a match out of that box! That's why a responsible parent would hold onto that box of matches and direct the boys to go to the

shed and wait! These programs for public and private providers need to be carefully designed with guardrails that ensure we only pay progressively for outcomes achieved. As I mentioned earlier, VET FEE HELP is the go-to for anyone wanting to tear down private VET providers. As you can see it is not that simple or fair to label all private providers across the country as exploitive and profiteers. The VET FEE HELP Scheme is important to consider when considering the perception and status of VET. Check-out this ABC article from April 2016 [Rorts and blowouts: the folly of public subsidies](#). How damaging to the private VET provider is this article? The ABC make the point a few times that it was a “small number of private colleges”, but the damage was done. This is the stuff we are competing with to improve the perception and status of VET.

I ask that, as you consider the worthy questions being asked in this inquiry, use independent analysis and market performance data provided by independent agencies to guide your conclusions. It is important to rely on information that is free from bias. I would also ask that you keep the politics and ideology out of the consideration. Please focus on what is best for our economy and our students participating in VET now and into the future. Keep in mind that the Australian VET sector is comprised of hard working people who have provided the skills that drive industry in our great economy. It didn’t happen by accident, and it takes a diverse VET sector to meet diverse industry needs.

Thank you for the opportunity to make this submission. We have given full consideration of the questions and offer this submission to inform the inquiry.

### What information is available to students about VET qualifications?

1. To consider this question it is necessary to consider who is the “student” we are wanting to reach? What stage of life are these students in? According to the National Centre for Vocational Education Research (NCVER) data on the age proportion of participation in VET, the latest available data is from 2021. Here is the breakdown of VET participation rates by age groups for all VET students and for those students accessing government funding:

Total VET Students - 2021 <sup>x</sup>	Government Funded Students - 2021 <sup>xi</sup>
a. 14 and under: 17,980 – 0.4181%	a. 14 and under: 1,710 – 0.1367%
b. 15-19 years: 673,730 – 15.6697%	b. 15-19 years: 291,180 - 23.2928%
c. 20-24 years: 621,250 – 14.4491%	c. 20-24 years: 249,370 - 19.9482%
d. 25-29 years: 566,685 – 13.1800%	d. 25-29 years: 145,560 - 11.6440%
e. 30-39 years: 945,505 – 21.9907%	e. 30-39 years: 243,210 - 19.4554%



f. 40-49 years: 699,350 – 16.2656%	f. 40-49 years: 167,900 - 13.4310%
g. 50-59 years: 526,275 – 12.2402%	g. 50-59 years: 103,705 - 8.2958%
h. 60-64 years: 153,135 – 3.5616%	h. 60-64 years: 27,805 - 2.2242%
i. 65 years and over: 86,455 – 2.0107%	i. 65 years and over: 19,455 - 1.5562%
j. Not known: 9,195 – 0.2138%	j. Not known: 190 - 0.0151%
Total: 4,299,560	Total: 1,250,085

2. What the data tells us for all VET students is that participation in VET is reasonably equally spread between the ages of 15 and 59. The higher number of all students participating in VET at 30-39 years is attributed to those students undertaking short courses or changing careers. A surprising outcome of these numbers is the higher than expected participation of those between the ages of 50 to 59 with over 12%. The results for government funded students is also notable. The higher percentages at the age groups of 15-19 and 20-24 is to be expected with school leavers and young people following a gap year (or two) entering traineeships and apprenticeships. Those participating in VET through government funded programs between the ages of 30-39 with over 19% is again attributed to those either changing careers or accessing career advancement courses.
  
3. What does this tell us in relation to how these people access information? The internet became widely available from the late 1990s. In the year 2000, a person who is 59 today was about age 36. It is reasonable that these people would have grown to rely on the internet to research information. This means that about 94% (between ages 14-59) of all VET student would be internet savvy and rely on the internet as a primary information source. The majority of people researching course options are doing this online using internet search engines like Google. Yes, there are many other information channels such as social media, radio, television but these are push information channels as opposed to the individual pulling the information in according to their needs. A person might passively receive information through these push channels and there certainly is a chance that the information they consume at that time may happen to coincide with a current career change they are pondering. However, the people we are really wanting to provide information to on VET qualifications are people that are actively looking for career opportunities and they are searching for information on these opportunities online. That is the information channel that needs to be the focus and currently it is being ignored by government and the VET sector is being outgunned by the Higher-Ed sector in the search rankings.

4. Ok, let's do an experiment. Let's say that I have a career interest in entering a career in cyber security. I Google for information with a search query of “*how to become a cyber security specialist in Australia*”. The results are telling of how we are not using this primary source to offer information on VET qualifications. Here are the results:

#### Google search result “how to become a cyber security specialist in Australia”

##### Paid search results highest to lowest:

1. UNSW ([click](#)) - Master of Cyber Security
2. University of Adelaide ([click](#)) - Master of Cyber Security
3. La Trobe University ([click](#)) - Masters and Graduate certificate
4. Open University ([click](#)) - Diploma of Cybersecurity (Torrens University)
5. Deakin University ([click](#)) - Graduate Certificate of Cyber Security
6. RMIT ([click](#)) - Graduate Certificate in Cyber Security
7. Learning People ([click](#)) - free eBook “Your guide to careers in Cyber Security”

Seriously, try this yourself!

##### Organic search results highest to lowest:

1. Seek ([click](#)) – Advertising non cyber security related qualifications such as a Bachelor of Science
2. Department of Industry, Science and Resources ([click](#)) - Advertising for Cyber security specialist suggesting that a Degree in computer science or cyber security as relevant qualifications.
3. Upskilled (RTO) ([click](#)) – Being the only RTO offering the ICT50220 Diploma of Information Technology (Cyber Security)
4. Open Colleges ([click](#)) – Offering a non-accredited course in Certified Cybersecurity Professional with the Australian Institute of ICT.
5. Open University ([click](#)) - Bachelor of Cybersecurity (Torrens University) among others
6. Your Career (Gov) ([click](#)) – Advising that “You usually need a bachelor or postgraduate degree”.
7. Hays ([click](#)) – Suggesting that a degree through a university are in demand.
8. Australian Institute of ICT ([click](#)) - Offering a non-accredited course in Certified Cybersecurity Professional

First page results Google Australia as at 8:14 am, 19<sup>th</sup> February 2023.

4. Of the seven paid search results (excluding the free e-book!), all are courses offered by universities and are not nationally endorsed VET qualifications. This is the same for search result pages 2 and 3 and it is not until you reach the bottom of page 4 that you have an advertisement from an RTO offering a ICT30120 Certificate III in Information Technology - Focus on Basic Cyber Security Awareness. Clearly the universities have a

much deeper advertising budget than VET providers and the VET sector is being absolutely outgunned on the paid search results.

5. On the organic search results, the information being presented to an individual seeking a career change to cyber security, the information strongly suggests a non-VET pathway. With the exception of one RTO (Upskilled) offering their ICT50220 Diploma of Information Technology (Cyber Security), the remaining information either offers or recommends a university pathway or a non-accredited option. Information on VET qualifications is not featuring in the organic search results and there is a strong bias toward a bachelor's degree or higher qualifications through a university.
6. Even the government website setup to provide information on career / training options ([Your Career](#)) suggests that *"You usually need a bachelor or postgraduate degree in a related information technology field"*. To be fair, it also does suggest that *"Training may also be available through Vocational Education and Training" or "a wide range of vendor and industry certifications"*. This information clearly is designed to push the individual to a university pathway with a secondary acknowledgement of VET courses that *"may also be available"*. It is hardly a strong endorsement of VET qualifications. The information being provided by the government in this case is biased toward a non-VET qualification.
7. It gets better, there are two links on the Your Career page that link to *"formal qualifications and can be highly regarded by employers"*:
  - a. [Take a Advanced Diploma of Network Security](#)
  - b. [Find a Bachelor of Computer Science](#)
8. The link to the university pathway, leads to a plethora of options on the website Course Seeker in bachelor's degree programs and above offered by various universities. The link to the Advanced Diploma of Network Security and the search for training providers leads to the Myskills website where it provides a nothing result of *"[We were unable to find any results for](#)"*. This is because it is trying to link to a qualification (ICT60215) that was superseded back on 20 Jul 2020 and replaced by the qualification ICT60120 which was itself also superseded on 18 Jan 2021 and replaced with the current qualification ICT60220. Seriously, what a joke! So, the government websites which are the primary source of trusted public facing information on VET qualifications is not being maintained. When the individual gets to the Myskills website and receives a result of *"[We were unable to find any results for](#)"*, what do you think their reaction will be? I suppose you could say that their perception of VET qualifications would be eroded.

9. The other observation I would make is, even if this website were being maintained, why link to such narrow information on just one qualification at the very highest level that VET extends to? Why not present information in the same fashion as Course Seeker where a range of qualifications are being displayed and offered by different providers with sophisticated filtering to find the course that best meets your needs and entry level. We as taxpayers have literally spent many hundreds of millions of dollars on the development and endorsement of nationally recognised qualifications and they are not being displayed. When I search “cyber security” on the course search function on the Myskills website ([Myskills](#)), it presents me with accredited qualifications which are all privately owned and not one nationally endorsed qualification from the ICT national training package. The Your Career / Myskills websites are not only not being maintained by the responsible agency, but they are structured to present information that is systematically disadvantaging to the promotion of VET qualifications.
10. Could the results be better for a different qualification? Yes, I acknowledge that if you searched for an occupation that is uniquely VET related such as “how to become an aged care worker in Australia” the results are more favourable but only marginally. There remains a heavy influence by the Higher-Ed sector and the likes of Your Career and Myskills did not even appear on the first page results. I used an occupation in cyber security which is in strong demand and for which the VET sector has a stream of VET qualifications to build a person’s skills from Certificate III to Advanced Diploma. Why are we not promoting these?
11. So, in summary on the question “What information is available to students about VET qualifications?”, I am sure there are many other information channels that have been developed over the years, but I argue that the one of most importance and prominence is the internet and search engine optimised information on VET qualifications provided by trusted sources. On this count, we are failing to make the case to Australians that VET is an option.

## **Recommendations**

- A. The government should be competing for search engine results and rankings to advertise career opportunities. By implementing a search engine optimization (SEO) strategy, the government can increase the online visibility of VET qualifications and reach a wider audience of job seekers or those considering a career change. To achieve this, the government could work with SEO experts to identify the most commonly used keywords and search terms related to job opportunities and VET qualifications. These keywords can then be incorporated into the government's online job postings and career websites like Myskills and Your Career, making them

more visible to search engines and increasing their likelihood of appearing at the top organic search results.

- B. The government should create informative and engaging content that focuses on the benefits and unique aspects of working in VET related careers. This could include videos, blog posts, and infographics that highlight the opportunities in VET related careers. By creating engaging content that provides value to job seekers, the government can increase its online engagement and compete for VET qualifications.
- C. The government should work with professional and social networking sites such as LinkedIn, Facebook, etc to target job seekers and those considering a career change in specific industries or fields. This would allow the government to connect with people who are actively searching for career opportunities and provide them with relevant career pathway information.

## What information is available on VET related career pathways?

12. I would argue that there does not appear to be any comprehensive information published by the federal government that I can find through searching on the internet that systematically explains VET related career pathways. There is certainly some information published by private organisations and industry representative bodies, but this information is inconsistently presented and in some cases is designed to sell a service rather than to inform. I searched broadly for information on a career pathway for Individual Support, Early Childhood Education and Cyber Security. The most relevant information that I found in relation to these job roles and related career pathways included:

- a. Individual Support

- i. <https://blcw.dss.gov.au/start/care-workforce/>
- ii. <https://employment.agedservicesworkforce.com.au/career-pathways/>

- b. Early Childhood Education

- i. <https://practicaloutcomes.edu.au/early-childhood-education-career-pathways/>

- ii. <https://www.tafensw.edu.au/career-advice/blog/-/blogs/start-your-career-in-early-childhood-education-and-care>
- iii. <https://earlychildhood.qld.gov.au/careers-and-training/career-paths-and-qualifications/educator>
- iv. <https://www.vic.gov.au/types-careers-early-childhood-sector>

c. Cyber Security

- i. <https://studyonline.unsw.edu.au/blog/career-in-cyber-security-australia>

13. Government websites such as Myskills and Your Career do not even appear in internet search results (first page) and therefore, what you cannot find, you cannot access. However, these websites also do not provide sufficient career pathway information. Myskills provides information on course and training providers only and does not include any information on career pathways. The Your Career website provides a very basic snapshot of various occupations which includes an overview, day-to-day duties, what courses are available, the skills employers are looking for and a section on “How to become an ,,,,,,”. This last section provides links to related courses on Myskills, a link to the jobs portal, a link to an industry association and a list of other credentials you may need such as a police check and working with children check. This is certainly not information on a “career pathway”. I have provided a link to the Your Career website occupation profile for Child Care Worker and Aged and Disabled Carer with a few observations:

- a. <https://www.yourcareer.gov.au/occupations/421111/child-care-worker>
- b. <https://www.yourcareer.gov.au/occupations/4231/aged-and-disabled-carer>

14. In addition to the absence of career pathway information, it is also noted that the information on the Your Career website is confusing. Searching for “early childhood educator” leads to the following page ([click](#)) where it specifies the requirement for “A *Bachelor of Education majoring in Early Education is required.*”. It is understood that this is referring to teachers covered under the Educational Services (Teachers) Award 2020 that may also work in a childcare centre; however you can see how this information could be confusing for someone who has no experience in employment classifications. I also note that the link on the aged and disability carer page on the Your Career website for “[Find a certificate in individual, aged or disability care](#)” leads to a courses listing on Myskills for courses in early childhood education, animal care, ATSI primary care, horse

care and to the superseded qualification in Individual Support. It is linking to information that is not relevant and inaccurate. Myskills is a mess.

15. The information available to individuals on VET related career pathways is either insufficient, inaccurate or inconsistent. There is poor continuity between the available public facing government information sites and the information in confusing at best.

## Recommendations

- D. Develop and implement a strategy to publish and promote information on available VET related career pathways in conjunction with **recommendation A**. This information should be presented in such a way that it reflects the competition for the interest of the prospective learner. It should be easy to navigate and share. This information should include the following elements:
  - **Education and training:** Education pathway starting with secondary school. What subjects are recommended in years 10-12? What is a logical entry level qualification or skillset? What qualification or skillset is suitable for career advancement? What qualification is recommended for senior career positions? This should show the pathway to use VET as a foundation if appropriate to build on with a lifelong learning approach.
  - **Description of positions.** Provide a detailed description of the possible positions not only as entry level positions but those that may be available with more experience and development. This should show if the career has future opportunities or specialisations. This should align with the award but be presented in a way that allows it to be understood by a wide audience.
  - **Skills and tasks.** Provide a description of the skills and tasks to be performed in the identified positions and show how these skills and tasks will change overtime with more experience and higher levels of responsibility. These skills and tasks should generally be reflective of the units of competency that support the career pathway.
  - **Career goal setting.** Provide guidance to those considering the career on the types of realistic goals based on input from industry. These career goals should recognise that not everyone wants to be a senior manager and promote goal setting according to each individual's needs. The guidance on goal setting should provide the basis for realistic career pathway planning with timelines. Information on career goal setting should also take into account people who

simply may visit a career for a period of time before they select another career. We must change our approach to recognise and encourage shorter term “careers” and how different career pathways which may share some foundational skills and knowledge may cross pollinate with each other. People may have multiple careers in their life and career pathway information should recognise and encourage this.

- **Remuneration.** Provide guidance on the level of remuneration that can be expected at entry level and at various positions with career advancement. This advice on remuneration should be linked with the relevant award and should also present information on penalties and relevant superannuation.
- **Certifications and licences.** Provide details on any relevant certifications or licences that relate to the performance of duties in the career pathway including those at entry level and those required with career advancement. This should include helpful information such as how certifications and licences are obtained and the relevant agencies which hold responsibility for issuance.
- **Work-life-balance.** Provide information on how other relevant career pathways can impact on work life balance. This advice should be informed by industry. This may include information on the opportunities to work from home, work remotely, holiday entitlements, casual opportunities, typical hours per week, shift arrangements, etc.
- **Work Health and Safety.** Provide realistic information about the typical work health and safety hazards that the career pathway presents. This information should be informed by recent and historical workplace injury trends.

## How does this information combine with other sources of advice to influence student choices?

16. As outlined in response to prior questions, there is a general absence of good information or accurate information about available VET qualifications or relevant VET create pathways. Noting this, I think that the student's choices can often be influenced by other sources of information which carry bias. We have already established that there is bias in the publicly available information toward a university pathway. If we add to this the potential for parental bias where parents may encourage their child to pursue a career because it aligns with their own values or interests. Or, teacher bias who may recommend a particular starting career point based on their own life experience.



Parents are often influenced by wanting the best for their child and may therefore recommend a pathway with the highest perceived career opportunity and teachers are often influenced by their own experience having come through a university pathway themselves.

17. Ultimately, the emphasis must be on encouraging individual choice by weighing up the elements of a career pathway with personal interests consistent with the life stage of the person. My personal observation is that there is too much emphasis put on “choosing a career”. This is particularly the case for a person leaving high school which comprise a high proportion of all VET students. Supported by appropriate research, we should consider alternatives to long term career planning to instead take the pressure off young people by encouraging career planning based on shorter timeframes which may align with the different stages of life. Career development theories such as Donald E. Super’s career development theory<sup>xii</sup> developed in the 1950’s should be revisited and contextualised for a modern society and economy. We should be encouraging the young person to make education and training choices which align with their next 2-4 years not the next 40 years. Research by the Foundation for Young Australians in 2015<sup>xiii</sup> which suggests that career pathways are not as linear as they used to be, with young people expected to have as many as 17 jobs across 5 careers in their lifetime. This inquiry is asking about the information and advice that is influencing the student’s decisions about education and training, but we are still thinking in a paradigm of a lifelong career planning. We need to make the entry into these shorter term “careers” easier with smaller chunks of education and training to give the individual the skills required to start in the workplace and let supported workplace training do what it has always done. It is not about how the information and advice intersect, it is about asking why we are not modernising and improving the accessibility of the information and educating society that the nature of work has changed, and education and training pathways are changing with it.

### **Recommendation**

- E. Undertake research into how the current education and training structures are supporting career pathways in the current and future society and economy and how education and training structures (and information about these) should be re-aligned to maximise participation in work and lifelong learning. This work should include acting sooner on the outcome identified during the 2022 Jobs and Skills Summit<sup>xiv</sup> that *“Work together to reform the framework for VET qualifications and micro-credentials to ensure they are most relevant to labour market needs. Micro-credentials, including work-based*

*learning will be placed in a proper framework and be able to be ‘stacked’ into full VET qualifications”.*

## How do the perceptions and status of VET impact on student enrolment choices?

18. Students are certainly influenced by the perception and status of VET when making enrolment decisions. I would suggest that this influence is both positive and negative. Decreasing participation in VET seems to paint a picture of strengthening negative perception. Data from the NCVER identifies a decline in the proportion of students choosing VET courses over the period 2010 to 2020, while the proportion of students choosing university courses had increased. Specifically, in 2010, VET accounted for 51.7% of all post-school enrolments, while university accounted for 48.3%. However, by 2020, VET's share of post-school enrolments had decreased to 42.6%, while university's share had increased to 57.4%<sup>xv</sup>. The decline in VET enrolments and the increase in university enrolments have been influenced by a range of factors, including changes to government funding policies, the introduction of new university courses which are offered on a much more commercial competitive basis, and changes in the labour market. However, an NCVER study conducted in 2017 on Choosing VET: investigating the VET aspirations of school students<sup>xvi</sup> found that while many young people had a positive view of VET, there were still some negative perceptions around the value of VET qualifications compared to university degrees. However, the study also found that many young people recognised the benefits of VET in terms of practical skills development and the potential for employment but also recognised the lack of prestige in VET qualifications. The same study found that young people did not generally understand VET or TAFE.
  
19. I also think that more recent developments in the public discourse particularly in the leadup to the 2022 federal election and since has served to further undermine the confidence in vocational education training. The Labor party prior to the election and in government continually communicate to the Australian public through the media in their language that private training providers are bad and public TAFE providers are good. What this communicates to the public is that if you engage in vocational education training you will be exploited by private VET providers. The public do not really understand the difference between public TAFE and private VET providers. Whenever the government have a positive announcement to make regarding the training and skills portfolio, they only ever mention the word “TAFE”. This message continually reinforces that “TAFE” is safe and anyone else should not be trusted.

20. Having undertaken quality and compliance audits in the VET sector at a senior level for the last 17 years both in a private capacity and on behalf of State and Commonwealth VET regulators, having also worked extensively with both the public and private providers in the VET market, I can assure you that it is a false narrative to claim that public TAFE deliver better quality training than private providers. TAFE suffer from the same levels of systemic non-compliance with meeting the requirements of the Standards for RTOs as many private providers. Other than their amazing facilities and equipment, TAFE are no better than private VET providers, each have their positives and negatives. Each perform an important role in the fabric of the Australian VET market. I understand the Labor philosophy to support the public sector. I understand that in general the Labor movement has been born from a blue collar workforce which in a large part would have received their training through TAFE. I get all of that, but they are allowing this bias to undermine public confidence in VET. I consider that government messaging is negatively influencing the perceptions and status of VET which is impacting on student enrolment choices.
21. As a final point in this section, I think we need to recognise the confusion that is created by universities offering traditionally VET qualifications. I am particularly talking about Australian Qualification Framework (AQF) level 5 and 6 (diploma and advanced diploma) qualifications which have been self-accredited by the university themselves under their TEQSA registration. These qualifications are being offered as a university qualification where the student will perceive some higher prestige in the value of that qualification. In reality, they are receiving essentially a proprietary qualification which is exclusive to the university with no equivalent recognition or portability outside of the same university. The universities will use marketing slogans such as *“University-level Skills and Assessments”* to give the impression that it is a superior study option. These courses are being sold to students linked with Fee HELP funding options offered by the university as pathway programs. The student does not understand the differences or the advantages / disadvantages between the university accredited Diploma of Business or the nationally recognised qualification BSB50120 - Diploma of Business. The fact is the differences in utility of the qualification is significant and the student as the consumer has no idea about this. The cost of these university courses is also significantly higher. Myskills identifies the average cost for the qualification BSB50120 - Diploma of Business is \$5,835.00. You can see the costs below for a sample of the university accredited diplomas sourced from the relevant university websites:

a. Here is the Nationally Recognised VET qualification for a Diploma of Business:

- i. <https://training.gov.au/Training/Details/BSB50120>

- b. Here are a range of Diploma of Business/Commerce course offered by Australian universities:
- i. <https://utscollege.edu.au/au/programs/diplomas/diploma-of-business> - \$34,000.00
  - ii. <https://www.westernsydney.edu.au/future/study/courses/the-college/diploma-in-business-standard> - About \$10,000.00 (depends on subject selection)
  - iii. <https://www.monashcollege.edu.au/courses/diplomas/business> - \$66,100.00
  - iv. [https://www.adelaide.edu.au/degree-finder/dbus\\_dipbus.html](https://www.adelaide.edu.au/degree-finder/dbus_dipbus.html) - \$12,935.00
  - v. <https://www.unswglobal.unsw.edu.au/study/diploma-in-business> - \$42,900.00
  - vi. <https://www.curtincollege.edu.au/courses/diplomas/commerce> - \$33,000.00
  - vii. <https://www.deakincollege.edu.au/courses/diploma/business> - \$24,720.00

22. I am not suggesting the universities are doing anything wrong here. They, like everyone are running a business and they have the accreditation to offer these courses. But, in response to this question about how this effects the perceptions and status of VET impact on student enrolment choices, I would argue that the offering of these university diplomas is highly confusing, and it gives the wrong impression that the status of these diplomas is higher compared with a VET qualification. This is a systemic disadvantage for VET providers and is resulting in students' paying much higher fees (usually on a student loans) and receiving a qualification with less flexibility.

23. I have long held the view that the governing legislation should be amended to restrict Higher-Ed providers to delivering AQF levels 7-10 only (Bachelor Degree to Doctoral Degree). The only point of overlap in this scenario would be the qualifications Graduate Certificate and Graduate Diploma which is entirely appropriate. Right now, a registered training organisation can only deliver qualifications which are nationally recognised, and these are AQF level 1-6 and 8. At the same time universities are able to self-accredit VET qualifications at Diploma and Advanced Diploma level as undergraduate qualifications.

On any measure, this current allowance is not equitable within the tertiary marketplace and creates market confusion and undermines the value of VET qualifications.

### **Recommendation**

- F. We need to stop singling out different provider types in the public discourse. Instead of the government always referring to TAFE, instead refer to those organisations that deliver nationally recognised training as “VET Providers” or “Registered Training Organisations” or “Training Providers” or some universal terminology that does not communicate a message that one section of the VET provider market is better than the other. There needs to be better scrutiny put on government messaging that is undermining public confidence in VET. Stop referring to “Fee Free TAFE” and instead, change the name of this program that reflect the reality that other VET provider will also deliver this program not just TAFE. Take the bias out of the way these taxpayer funded programs are promoted and delivered.
- G. Consider putting together a marketing campaign that brings together all of the positive stories from all different sections of the VET market including private providers, community providers, public providers, enterprise based providers, etc. These stories need to be told and reinforced in the public messaging. We need to be communicating the significant advantages of VET qualifications over university qualifications. These include the opportunity to earn more particularly in the early stages of a person's working life, faster pathways to employment, shorter education and training time, portability of skills, lower cost training options, greater flexibility in providing recognition of existing skills, a national system of credit transfer, etc. We need to tell the story of real people who have had great success through engaging in vocational education training.
- H. Undertake a review into the impact on the student as a consumer when considering and entering a qualification at the same AQF level with an RTO as a nationally recognised qualification as compared with a university as a university self-accredited qualification. The review should consider the value the qualification offers not only to the student but also to the taxpayer who ultimately fund government assisted student loans. The review should also consider if the marketing practices of providers (VET and University) is ethical and consistent with the relevant regulations and consumer protection laws. Are the marketing practices giving a false impression to consumers? Lastly, the review should consider if changes to the relevant governing legislation is required to provide greater consistency in the awarding of qualifications by segregating the authority to issue qualifications between the Higher-Ed sector and VET sectors.

## How do the perceptions and status of VET impact on employer engagement in VET?

24. The NCVET has done lots of work in this space so I hope you will be asking for a summary of their research into employers' use and views of the VET system. Of note is the analysis of the biennial survey of Australian employers conducted by the NCVET Employers' use and views of the VET system: [Employers use and views of the VET system 2021<sup>xvii</sup>](#).
25. This research highlights that:
- a. 56.6% of employers used accredited training to meet their training needs, up 5.7 percentage points from 2019;
  - b. 40.2% of employers had jobs that require vocational qualifications, up 6.0 percentage points from 2019;
  - c. Of these, 74.3% were satisfied that vocational qualifications provide employees with the skills they need for the job;
  - d. 27.4% of employers had apprentices and trainees, up 4.2 percentage points from 2019;
  - e. Of these, 74.2% were satisfied that apprentices and trainees are getting the skills they need from training;
  - f. 27.1% of employers arranged or provided their employees with nationally recognised training (other than through apprenticeships and traineeships), up 7.2 percentage points from 2019; and
  - g. Of these, 78.7% were satisfied that nationally recognised training provides employees with the skills they need for the job.
26. From our own perspective, we have many clients who work very closely with employers and industry to deliver highly customised training often from within the business. These are VET providers who have long term relationships with enterprises who have customised the nationally recognised training to incorporate the enterprise standard operating procedures, workplace documentation requirements, specialised equipment requirements and organisation structure. These are often small training providers that are agile and motivated to deliver great quality training not only because it's good for the employer and the student but it's also good for business. This is the market working

at its best. I consider that employers are less impacted by the government's negative sentiment towards VET providers because they are living the reality of needing skilled workers and recognise vocational education training as the primary pathway to grow this where there is a scarcity of people with existing skills. We consider that employers recognise the following benefits of VET:

- a. Flexibility: VET training providers are often more flexible in their operations and can quickly adapt to changes in the industry or the needs of employers. This means they can provide a more customised learning and respond to the unique needs of each employer.
- b. Innovation: VET training providers are often more agile and can implement new training pathways and technologies more quickly. This means they can offer cutting-edge training programs that incorporate the latest industry trends and emerging technologies.
- c. Local knowledge: VET training providers are often embedded in their local communities and have a deep understanding of the local industry and job market. This means they can provide targeted training programs that are tailored to the needs of local employers and learners.
- d. Specialisation: VET training providers often specialise in specific industry sectors or types of training, which means they can provide more focused and specialised training programs. This can be particularly beneficial for employers who are looking for specific skills in niche industries.
- e. Customer service: VET training often have a more personalised approach to customer service (business to business), which means they can provide a high level of support to employers throughout the training process. This includes things like personalised training plans, training in the workplace, and ongoing consultation.

### **Recommendation**

Please refer to recommendation A, B, and E.

## How can we encourage partnerships between VET providers and employers?

27. There was some useful research completed by the NCVET on this very topic back in 2017 which is summarised in the following publication: [Developing and sustaining successful partnerships between employers and training providers: good practice guide<sup>xviii</sup>](#).
28. I think we need to understand what we are referring to as a “partnership”. We see the following types of VET provider and employer partnerships:
- a. **Embedded in.** This is where the VET provider is often collocated and delivering onsite training continuously within the enterprise. This usually involves the VET provider having a training contract with a state and territory funding authority where it is able to provide the training to the employer with the subsidy. The training is usually exclusively customised to the enterprise.
  - b. **Delivering on behalf of.** This is where the VET provider and the employer have entered into an agreement to allow the employer to deliver their own training as an agent of the VET provider. This usually involves the VET provider verifying the quality arrangements and monitoring the services being delivered by the employer. The records of the learning and assessment are collected by the VET provider and verified prior to issuing of any AQF certificates.
  - c. **On-the-job training.** This is where the VET provider facilitates training for students in the workplace integrated with their work routine. It usually involves the VET provider visiting the workplace to deliver training to either individuals or groups and shadowing workers to observe skills being delivered to offer feedback on skills development and task performance and undertake assessment. This usually requires significant work on behalf of the VET provider to map the work routines in the organisation to the units of competency to understand the alignment between work production and the qualification.
  - d. **Block release.** This is where the employer has agreed usually through a traineeship or apprenticeship that the student will be absent from the workplace and attend the VET provider’s training premises to undertake training and assessment. This is called block release because training is usually undertaken over a block of time such as one to three days or one week. This training is usually less specifically customised for a particular



employer's workplace because block release training is attended by students from multiple workplaces. The training is instead customised for specific industry requirements. The number of days of attendance in the block is typically proportionate to the frequency of visits. If the training provider has a concentration of students in a geographic location, you tend to find that the frequency of visits is more frequent with shorter timeframes such as one day per week. If the training provider has students which are more geographically dispersed and particularly where there is a reliance on specialised equipment located at the training provider, you tend to find the frequency of visits is less frequent, but the block training is a greater duration such as a week at a time.

29. There are certainly models of partnership which include varying degrees of training and assessment responsibility either by the VET provider or the employer. These partnership arrangements are usually initiated by the employer or the enterprise. This involves the employer approaching a VET provider to establish an arrangement for training that is more customised to their business needs. A key factor in these partnerships being entered into is the volume of expected training. The higher number of expected students usually means the greater incentive for the VET provider (public or private it doesn't matter). It is often the case that where the employer may not have a sufficient number of students to attract a VET provider to enter into a partnership or they are repeatedly disappointed by the outcomes of these partnerships that they will instead decide to become their own RTO and deliver training to their own employees exclusively as an enterprise RTO or to service both their own employees and the wider market as a private RTO.
30. A big consideration of choosing on the job training or block release is the level of investment that the VET provider has already made in the establishment of facilities and equipment. TAFE who usually are heavily invested in facilities and equipment will typically encourage students to attend their facility for block release. Private VET providers are more inclined to deliver on the job training therefore utilising the equipment and facilities of the employer and as a result delivering training and assessment that is more customised for the workplace.
31. There are disadvantages and advantages for both options. Some of the contributing factors relating to the establishment of a partnership for on the job training include the nature of the workplace being either static or dynamic. By this I mean, is the workplace static in one location where the apprentice or trainee will report to work each day or is the workplace dynamic moving from location to location based on the work being undertaken. As an example, an automotive apprentice typically works at an automotive

workshop and does not move around. A plumbing apprentice can literally visit six different worksites every week. The static workplace is more suitable for the on the job training model for obvious reasons. A dynamic workplace is less suitable for on the job training because it is just too difficult to coordinate the workplace visits and the work being undertaken is too unpredictable. There are also sensitivities (safety, induction, permission, etc) about the VET trainer visiting to deliver training and assessment at random worksites. Often the employer of the apprentice is also not responsible for managing the site (sub-contractors) and so organising clearances for VET trainers is an additional impediment that makes this arrangement not tenable. There are exceptions to this observation, a notable exception is hairdressing and beauty training where it is reasonably unusual to see these traineeships and apprenticeships delivered exclusively in the workplace and it is more often the case that these students will attend block release at the RTO.

32. Another contributing factor following on from the above point is the tempo of the workplace and shift arrangements. Workplaces where employees are performing shorter and more irregular shifts, where the tempo of work is high are more inclined to result in training delivered in the workplace and the employer will enter a partnership with a training provider to facilitate this. Examples of this can be seen throughout the retail and the fast food franchise industry. The training is usually facilitated by blended mode of online learning combined with workplace training and assessment. The majority of these arrangements seem to be serviced by private VET providers although I am sure there are many exceptions to this.
33. Embedded training partnerships are usually initiated by the employer and are only typically viable where the employer has a high number of employees with a high turnover. Good examples of this can be seen in the abattoir, textiles and in transport and logistics sectors. These training partnerships need to be very carefully managed from a relationship perspective where each party relies heavily on the other. Friction points are common where training activities can conflict with productivity. It is often the case that supervisors within the workplace will contribute to both training and assessment and this can blur the lines of compliance particularly with clause 1.14<sup>xix</sup> of the standards for RTOs (this requires the person providing training and assessment to be qualified in training assessment). Of course, supervisors have been providing training in the workplace since before the beginning of the industrial age. Any training provider that currently find themselves in this situation will have an ongoing concern about how the regulator will interpret this and will have contingencies in place to try and demonstrate their compliance. It is fair to say that this requirement would have prevented some VET providers entering these arrangements out of an abundance of caution with regard to

their compliance. The more entrepreneurial and risk tolerant VET provider is more likely to enter into these arrangements and put strict quality controls around the conduct of assessment particularly and work hard at managing the relationship.

34. Better guidance and a more flexible approach by the National VET Regulator would encourage more VET providers to enter these arrangements. Changes to the Standards for RTOs to recognise the contribution of workplace supervisors would help to provide greater confidence. There is a review of the RTO standards happening right now. These things are never straightforward and in relaxing the rules relating non-qualified persons contributing to training and assessment also has its risks. Keep in mind that the employer is not being paid to deliver the training. Under most State and Territory training related legislation and funding contracts, it is the VET provider's responsibility to deliver the training and they are being paid to do so. We just need to consider some guardrails around relaxing these rules as no doubt some providers (public and private it doesn't matter) will take advantage to deliver highly efficient training and assessment where the delivery is primarily being delivered by the employer. This is one of the reasons that these partnerships usually breakdown because the employer wake-up to the fact that they find themselves doing the majority of the training and assessment distracting them from workplace production where the training provider is collecting the fees. A more balanced funding approach between both the employer and the VET provider may be worth considering.
35. My final consideration here is the mandatory requirement imposed on VET providers under the Standards for RTOs to engage with industry to identify their training needs and to allow the training to be customised to make it more relevant to industry requirements. This is a requirement specified in clause 1.5 and 1.6 of the standards for RTOs. This has been a feature of the various quality standards in the training industry since the beginning in the late 90s. My long experience in assisting clients with this or auditing training providers against this requirement is that it is not easy for training providers to provide evidence of this engagement or outcomes when requested to. It is very common that training providers will engage with employers on an ongoing basis sometimes almost every day but these informal discussions and emails are not particularly recognised as evidence of industry engagement. We encourage clients to try and take a more structure approach to this engagement with pre-formatted questionnaires to capture feedback according to specific things that the VET provider needs to know, to allow the training to be customised. We also encourage clients to view this as not only a compliance requirement but also a business development opportunity. It is seriously a no brainer to go to your clients and ask them how you can deliver services better to align with their needs.

36. Ok, noting all of this, the biggest impediment to engaging with industry about their training needs is getting industry feedback to begin with. Obviously, there are maverick industry participants who are eager to give their feedback, but these people are in the minority. We have clients out in industry every week trying to engage with employers and the fact is they often get nothing back. The common problem is that employers or industry representatives are often too busy to give time to this or do not see it as a priority. Employers will question why the training provider would want to ask them and “isn't it the training provider's job to prepare the training”. Clients will often come back to us with evidence where the employer just simply agreed with everything with no actual valid feedback. My observation is that there is already a well-defined system for the VET provider to engage with industry to provide the needed foundation for partnerships. We just need to get the employer more engaged. It seems to me that, the training providers struggle to get the feedback because the employer does not see the value or the buy in. It becomes a mission for the training provider to try and convince the employer about the value in giving feedback to identify valid outcomes. Instead of this being a one way conversation, there should be some initiative implemented to either educate or motivate employers to engage with their training provider to give them the feedback they need to make the training better for the employer. The government should consider a marketing campaign or some other information initiative to educate industry on the benefits of working with a VET provider to ensure the training they receive is a good fit. If this resulted in greater willingness for the employer to engage in these conversations combined with the obligation of the training provider to seek this feedback, it potentially provides a good foundation for industry partnerships to grow. It seems like a one way conversation, and it is clear to me that we need a strategy to get industry (at the level of the employer) into the conversation also.
37. Just as a brief conclusion to this section, you can tell that delivering training in partnership with employers is complex. There are many different shapes and sizes of workplaces across a wide range of industries with different needs. You can see that it requires a diverse VET provider industry to meet all of these needs to keep the productivity of the country going. Every VET provider has a role to play. TAFE are particularly strong at servicing the traineeship and apprenticeship market in a block release model. Community colleges are particularly strong at providing training directly in support of local community needs and interests. Private VET providers are particularly strong at delivering traineeships and apprenticeships together with short courses in support of industry and most often in the workplace. Let’s not forget the enterprise VET providers who are delivering training directly to their own workforce. I love the saying that it takes an entire community to raise a child. It is true. It is also true in the VET

sector that it takes an entire VET provider system to support the whole of Australian industry.

### Recommendation

- I. Review the current and draft Standards for RTOs to better recognise the contribution toward training and assessment by workplace supervisors who are qualified and experienced in the skills and knowledge being delivered. Any revision should give more certainty about the compliance to VET providers who are partnering with enterprises to deliver VET qualifications.
- J. Consider funding incentives where the VET provider and the employer have entered into a partnership to deliver on-the-job training where there is a shared responsibility for the delivery of the training and assessment. Any funding incentive should recognise the contribution of the employer toward the training and assessment of the trainee or apprentice.
- K. Consider the introduction of employer skills vouchers where eligible employers are allocated vouchers with an allocated amount of funding to be used with a VET provider of their choice in the open market. The primary objective of this is to put the employer in the position of taking control of their own training in partnership with a VET provider to design a training pathway that meets their needs. Obviously, there would need to be some guardrails and acquittal processes put in place to ensure value for the taxpayer. Tight eligibility criteria combined with strict reporting, conflict of interest protections and independent post training evaluation (publicly reported) are some guardrails to consider. It would help to bring the employer into the discussion to have a vested interest in the quality of the training being delivered. The skills voucher could include a component of employer funding incentive as described in **recommendation J** as well as release payment to the VET provider on the progressive achievement of the course outcome.

### What are the structural barriers to improving the perceptions and status of VET?

38. The initiation of this inquiry is of course triggered by a Labor government agenda. The Labor government are explicitly clear in their party's policy platform and their messaging on their bias against private VET providers. I think that if the government's ideology were to pervade unchecked, they would dismantle the competitive VET market altogether. I call on the committee, to be alert to the government agenda and please be

a voice for small and medium sized business in the VET sector. Many thousands of small and medium sized businesses throughout Australia including those who are registered training organisations and those who provide services to the VET sector have worked hard and invested in the growth of their business under our current competitive VET market. Can this system always be improved, absolutely. Is the competitive VET market system to blame for all the problems in the VET sector, no. Are the good and bad practices of private VET providers as equally present in the public VET system, absolutely! Please do not believe the rhetoric that all private VET providers are corrupted profiteers. They will present selective research and data to try and make their case. If the committee has time and resources, I recommend that you engage some independent research particularly sourcing data from the Productivity Commission and the most recent performance VET data from the NCVER. I would also recognise the macro-economic performance of the past three decades that our competitive VET market has supported. The sky is not caving in so please do not allow the government of the day to make drastic changes to a system that has served the nation very well. I would finish this point with recognising that, these are predominantly family owned businesses delivering innovative and customised training to industry. Please be a voice for small and medium sized business in the VET sector.

39. Ok, with that said, what are the structural barriers to improving the perceptions and status of VET? There are many structural barriers to think about, but I think it is helpful to focus on the following which would make a real difference:
- a. The market confusion created by the offering of VET qualifications by universities is a structural barrier to the integrity of the qualifications themselves and a threat to the consumer. I recommend that the delivery of qualifications authorised to be delivered for each sector within the tertiary education marketplace should be segregated to ensure there is a minimum of overlap. The relevant legislation (TEQSA Act) should be amended to restrict Higher-Ed providers to delivering AQF levels 7-10 (Bachelor Degree to Doctoral Degree). This important change would provide clarity in the marketplace for consumers (please refer to previous commentary) and provide some much needed purity and reliability in the VET qualifications being delivered and issued.
  - b. The aggressive and direct unsolicited marketing practices by some tertiary education and training providers to secondary school students is leading to students making rash uninformed decisions after receiving attractive inducements. This is resulting in a structural barrier to allow the opportunity

for an unbiased consideration of all education and training options free from any conflict of interest. Make reforms to the way that tertiary education (includes VET and Higher-Ed) is being offered to school leavers (year 10-12) to ensure these vulnerable young people are provided access to accurate and non-biased information on which they are making choices. This should include consideration of:

- i. Prohibiting any tertiary education and training providers from direct and unsolicited marketing to persons who are secondary school students. This should particularly apply to providers sending school students “early offers” to enter into a qualification. We need to start to take the consumer protection of school leavers seriously during a time when they are often impressionable and feel pressured to make a choice and have a high potential to be convinced by glossy inducements through direct and often unsolicited marketing practices.
- ii. Change the way we promote career opportunities to school leavers from years 10 - 12 to focus on occupations as opposed to qualifications. This needs to recognise that a progressive approach to build professional credentials over time is an acceptable and smart option in many occupational areas where often shorter term, lower cost training options exist to get into the workforce earlier followed by a lifelong learning approach to build skills and knowledge (and qualifications) over time. We need to recognise the value of skill sets as a valid starting point in almost all occupational areas.
- iii. Ensure that information that is presented to secondary school students about career pathways should be exclusively information that has been published by either the State, Territory or Federal Government or information that has been approved by the relevant secondary school Principal as being independent and free from any commercial bias or conflict of interest. There needs to be some controls put in place to prevent groups with vested interests (tertiary education and training providers) exerting their influence over impressionable secondary school students and to ensure the information that is systematically supplied by schools is accurate and in line with a national career’s strategy.

- c. The offering of fee free VET qualification and courses devalues these courses and lowers the status of VET qualifications. It also is resulting in students entering these qualifications with less consideration and commitment because there is literally nothing to lose other than time. Students need to have “skin in the game” because they are more likely to commit to study and develop the skills to achieve the course outcomes. Anecdotal evidence from clients that I am talking to particularly in Victoria where this type of program has now been running since 2021 indicates that completion rates of students entering these courses on a fee free program are considerably lower than where there was a student contribution. It is also leading to overly inflated enrollment numbers where the students enter programs based on a general interest and do not apply themselves to the course requirements. I think the approach to offering fee free VET qualification and courses needs to be reconsidered. Certainly, there needs to be some independent monitoring and research undertaken into the “Fee Free TAFE” (how about “Fee Free VET”) program as it is rolled out in all jurisdictions. I acknowledge that it would be difficult politically for the government to rollback this program and so as a fallback suggestion, I would recommend that as this program is implemented, that providers should be required to apply a higher level vetting of the students to verify their commitment and suitability for the course being entered.

### **Recommendation**

- L. Make amendments to the TEQSA Act to restrict Higher-Ed providers to delivering only AQF levels 7-10 (Bachelor Degree to Doctoral Degree) qualifications.
- M. Prohibit any tertiary education and training providers from direct and unsolicited marketing to persons who are secondary school students.
- N. Make reforms to the way we promote career opportunities to secondary school students from years 10 - 12 to focus on occupations as opposed to qualifications. Recognise that a progressive approach to build professional credentials over time is an acceptable and smart option in many occupational areas where shorter term, lower cost training options exist to be followed by a lifelong learning approach to build skills and knowledge (and qualifications) over time. We need to recognise the value of skill sets as a valid starting point in almost all occupational areas.
- O. Prohibit information that is presented to secondary school students to information that has been published by either the State, Territory or Federal Government or



information that has been approved by the relevant secondary school Principal as being independent and free from any commercial bias or conflict of interest.

- P. Reconsider the offering of fee free VET qualification and courses. Fee Free TAFE will damage the status of VET qualifications by devaluing these qualifications and lead to higher dropout and non-completion rates. There needs to be a modest (maybe only \$25 per unit of competency) student contribution to ensure the student has some skin in the game in their own education and training (in their own future).

### Are there any suggested Commonwealth programs which could improve the perceptions and status of VET

- 40. In accordance with **recommendations A, B, and E**, the government should establish a long term marketing campaign that promotes the value of VET pathways into career pathways. This should focus on winning the organic search results online and be combined with a multimedia social marketing campaign that appeals to a younger audience. This needs to include information that can be easily shared and repurposed. Providers should be able to share and incorporate this media into their own marketing material such as incorporating a smart video that explains the VET pathway and a day in the life of the relevant occupation or job. We need to promote the concept that students need not enter significant student loan commitments and can instead undertake a VET pathway where the training is shorter in duration, lower in cost and leads directly into well-paying jobs where skills are in demand now. This should not simply be a one off investment. This should be a permanently established section within the Department of Employment and Workplace Relations with a mandate to promote VET pathways into career pathways. The marketing information including printed material should be used in accordance with **recommendation O** to ensure that secondary school students have access to information about career pathways that is accurate, independent and free from any commercial bias or conflict of interest.
- 41. In accordance with **recommendation K**, consider the introduction of employer “Skills Vouchers” where eligible employers are allocated vouchers with an allocated amount of funding to be used with a VET provider of their choice in the open VET provider market. The primary objective of this is to put the employer in the position of taking control of their own training in partnership with a VET provider to design a training pathway that meets their needs. It would help to bring the employer into the discussion to have a vested interest in the quality of the training being delivered. The skills voucher could include a component of employer funding incentive as described in **recommendation J**

as well as a payment to the VET provider on the progressive achievement of the course outcomes. It is not beyond our intellect to design a Commonwealth funded program where we put the employer at the centre of the decision making when engaging a VET provider to partner with and to ensure we get value for money and a quality outcome.

42. The government should consider a Commonwealth program to promote VET pathways to the underutilised work capacity within society. By this I am referring to people who may only have part employment, full time parents, the elderly who might be looking for part time work in retirement, those with a disability that would prevent their participation in a regular workplace, those in remote and rural Australia. I am sure there are many groups that I have not mentioned here that would participate in work if they were presented the right pathway that match their current circumstances. The government should consider a program where they engage with industry to identify current and emerging employment opportunities that may suit these groups and link this with a VET pathway into employment. The VET pathway may only be a skill set to begin with. Maybe there is some type of financial incentive for the employer to commence this arrangement and a retention bonus maybe after 12 months employment. We employ seven people across QLD, NSW and VIC most of whom are work at home mums. They perform work in skill areas such as marketing, software programming, project management, customer service, learning and development. Now, these are all very talented people and if they weren't working for us no-doubt they would find other work opportunities anyway. However, it highlights the opportunity in flexible work arrangements particularly to work from home. There must be many people within society that have restrictions on their ability to attend work because of their current circumstance and could contribute in employment if they were provided the right opportunity combined with the right training. VET combined with industry can be a force for good to give these people opportunity whilst at the same time contributing to the economy. Programs like this, particularly where they are promoted can help to improve the status of VET as a lever for opportunity and growth.

### **Recommendation**

- Q. Consider establishing a program that works directly with employers to aggregate flexible and working from home opportunities and to link these with a suitable VET pathway into employment. The program might include some financial incentives for the employer and some wrap around services to assist the individual and employer implement safe and productive flexible and working from home arrangements. After a trial and if producing the expected outcomes, the program should move to full



implementation with promotion to tell the story of industry and VET working together supported by government.

## List of Recommendations

The following are a list of recommendation presented in this submission:

- A. The government should be competing for search engine results and rankings to advertise career opportunities. By implementing a search engine optimization (SEO) strategy, the government can increase the online visibility of VET qualifications and reach a wider audience of job seekers or those considering a career change. To achieve this, the government could work with SEO experts to identify the most commonly used keywords and search terms related to job opportunities and VET qualifications. These keywords can then be incorporated into the government's online job postings and career websites like Myskills and Your Career, making them more visible to search engines and increasing their likelihood of appearing at the top organic search results.
- B. The government should create informative and engaging content that focuses on the benefits and unique aspects of working in VET related careers. This could include videos, blog posts, and infographics that highlight the opportunities in VET related carers. By creating engaging content that provides value to job seekers, the government can increase its online engagement and compete for VET qualifications.
- C. The government should work with professional and social networking sites such as LinkedIn, Facebook, etc to target job seekers and those considering a career change in specific industries or fields. This would allow the government to connect with people who are actively searching for career opportunities and provide them with relevant career pathway information.
- D. Develop and implement a strategy to publish and promote information on available VET related career pathways in conjunction with **recommendation A**. This information should be presented in such a way that it reflects the competition for the interest of the prospective learner. It should be easy to navigate and share. This information should include the following elements:
  - **Education and training:** Education pathway starting with secondary school. What subjects are recommended in years 10-12? What is a logical entry level qualification or skillset? What qualification or skillset is suitable for career advancement? What qualification is recommended for senior career positions? This should show the pathway to use VET as a foundation if appropriate to build on with a lifelong learning approach.

- **Description of positions.** Provide a detailed description of the possible positions not only as entry level positions but those that may be available with more experience and development. This should show if the career has future opportunities or specialisations. This should align with the award but be presented in a way that allows it to be understood by a wide audience.
- **Skills and tasks.** Provide a description of the skills and tasks to be performed in the identified positions and show how these skills and tasks will change overtime with more experience and higher levels of responsibility. These skills and tasks should generally be reflective of the units of competency that support the career pathway.
- **Career goal setting.** Provide guidance to those considering the career on the types of realistic goals based on input from industry. These career goals should recognise that not everyone wants to be a senior manager and promote goal setting according to each individual's needs. The guidance on goal setting should provide the basis for realistic career pathway planning with timelines. Information on career goal setting should also take into account people who simply may visit a career for a period of time before they select another career. We must change our approach to recognise and encourage shorter term “careers” and how different career pathways which may share some foundational skills and knowledge may cross pollinate with each other. People may have multiple careers in their life and career pathway information should recognise and encourage this.
- **Remuneration.** Provide guidance on the level of remuneration that can be expected at entry level and at various positions with career advancement. This advice on remuneration should be linked with the relevant award, should also present information on penalties and relevant superannuation.
- **Certifications and licences.** Provide details on any relevant certifications or licences that relate to the performance of duties in the career pathway including those at entry level and those required with career advancement. This should include helpful information such as how certifications and licences are obtained and the relevant agencies which hold responsibility for issuance.
- **Work-life-balance.** Provide information on how other relevant career pathway can impact on work life balance. This advice should be informed by industry. This may include information on the opportunities to work from home, work

remotely, holiday entitlements, casual opportunities, typical hours per week, shift arrangements, etc.

- **Work Health and Safety.** Provide realistic information about the typical work health and safety hazards that the career pathway presents. This information should be informed by recent and historical workplace injury trends.
- E. Undertake research into how the current education and training structures are supporting career pathways in the current and future society and economy and how education and training structures (and information about these) should be re-aligned to maximise participation in work and lifelong learning. This work should include acting sooner on the outcome identified during the 2022 Jobs and Skills Summit that *“Work together to reform the framework for VET qualifications and micro-credentials to ensure they are most relevant to labour market needs. Micro-credentials, including work-based learning will be placed in a proper framework and be able to be ‘stacked’ into full VET qualifications”*.
- F. We need to stop singling out different provider types in the public discourse. Instead of the government always referring to TAFE, instead refer to those organisations that deliver nationally recognised training as “VET Providers” or “Registered Training Organisations” or “Training Providers” or some universal terminology that does not communicate a message that one section of the VET provider market is better than the other. There needs to be better scrutiny put on government messaging that is undermining public confidence in VET. Stop referring to “Fee Free TAFE” and instead, change the name of this program that reflect the reality that other VET provider will also deliver this program not just TAFE. Take the bias out of the way these taxpayer funded programs are promoted and delivered.
- G. Consider putting together a marketing campaign that brings together all of the positive stories from all different sections of the VET market including private providers, community providers, public providers, enterprise based providers, etc. These stories need to be told and reinforced in the public messaging. We need to be communicating the significant advantages of VET qualifications over university qualifications. These include the opportunity to earn more particularly in the early stages of a person's working life, faster pathways to employment, shorter education and training time, portability of skills, lower cost training options, greater flexibility in providing recognition of existing skills, a national system of credit transfer, etc. We need to tell the story of real people who have had great success through engaging in vocational education training.

- H. Undertake a review into the impact on the student as a consumer when considering and entering a qualification at the same AQF level with an RTO as a nationally recognised qualification as compared with a university as a university self-accredited qualification. The review should consider the value the qualification offers not only to the student but also to the taxpayer who ultimately fund government assisted student loans. The review should also consider if the marketing practices of providers (VET and University) is ethical and consistent with the relevant regulations and consumer protection laws. Are the marketing practices giving a false impression to consumers? Lastly, the review should consider if changes to the relevant governing legislation is required to provide greater consistency in the awarding of qualifications by segregating the authority to issue qualifications between the Higher-Ed sector and VET sectors.
- I. Review the current and draft Standards for RTOs to better recognise the contribution toward training and assessment by workplace supervisors who are qualified and experienced in the skills and knowledge being delivered. Any revision should give more certainty about the compliance to VET providers who are partnering with enterprises to deliver VET qualifications.
- J. Consider funding incentives where the VET provider and the employer have entered into a partnership to deliver on-the-job training where there is a shared responsibility for the delivery of the training and assessment. Any funding incentive should recognise the contribution of the employer toward the training and assessment of the trainee or apprentice.
- K. Consider the introduction of employer skills vouchers where eligible employers are allocated vouchers with an allocated amount of funding to be used with a VET provider of their choice in the open market. The primary objective of this is to put the employer in the position of taking control of their own training in partnership with a VET provider to design a training pathway that meets their needs. Obviously, there would need to be some guardrails and acquittal processes put in place to ensure value for the taxpayer. Tight eligibility criteria combined with strict reporting, conflict of interest protections and independent post training evaluation (publicly reported) are some guardrails to consider. It would help to bring the employer into the discussion to have a vested interest in the quality of the training being delivered. The skills voucher could include a component of employer funding incentive as described in **recommendation J** as well as release payment to the VET provider on the progressive achievement of the course outcome.

- L. Make amendments to the TEQSA Act to restrict Higher-Ed providers to delivering only AQF levels 7-10 (Bachelor Degree to Doctoral Degree) qualifications.
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