Australian Government
Jobs and Skills Australia

National Vocational Education and Training Regulator (Data Streamlining) Amendment Bill 2023

Submission from Jobs and Skills Australia to the Senate Education and Employment Legislation Committee

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Introduction

Jobs and Skills Australia (JSA) welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee's inquiry into the *National Vocational Education and Training Regulator (Data Streamlining) Amendment Bill 2023*. The submission is supplementary to that provided by the Department of Employment and Workplace Relations (DEWR).

JSA was established in November 2022 as an independent agency responsible for providing advice to the Australian Government to underpin Australia's response to current, emerging and future labour market and workforce skills and training needs. JSA has been established with a core commitment to tripartite engagement and partnerships with unions, industry, governments, and education and training providers in providing this advice. JSA will have a strong association with the newly established Jobs and Skills Councils who are expected to identify, forecast and respond to current and emerging skills needs and workforce challenges of industry.

This submission will focus on how this Bill will support the work of JSA as well as providing examples of JSA data products that could be enhanced by more timely and accurate data.

How the Bill will support the work of JSA

As an independent agency responsible for providing advice to the Australian Government on the performance of Australia's vocational education and training (VET) system and how it relates to the labour market, workforce skills and training needs, JSA has a strong interest in the content of this Bill. One of the functions of JSA outlined in the *Jobs and Skills Australia Act 2023* is to provide advice to the Minister for Skills and Training or the Secretary of DEWR in relation to 'the adequacy of the Australian system for providing VET, including training outcomes'.

JSA is well aware of the need to modernise the technology and business processes used to share VET data, and of the efforts being made to modernise these processes through the VET Data Streamlining (VDS) reforms. The VDS program will introduce modern technology that will enable progressive submission and validation of VET activity data, an updated VET information standard to replace the current statistical standard (which was first developed over 25 years ago), and updated legislative, regulatory and governance settings that will support the VDS program objective of '*better data, faster*'.

This Bill is the first step towards modernising the way VET activity data is collected and submitted by registered training organisations (RTOs) to the National Centre for Vocational Education Research (NCVER) and clarifying the ways that VET activity data can be accessed and used by authorised users.

Flexible and responsive VET data collection and disclosure will assist JSA to provide evidence-based advice on the adequacy of the VET system in meeting Australia's skill needs as well as to conduct impactful analysis of the pathways and outcomes of VET. Currently, analysis of the trends of Australia's VET system is reliant on VET activity data that is around two years old. VET activity data can be considered alongside broader VET information, such

as the NCVER Student Outcomes Survey, to analyse the performance of Australia's VET system and the context in which they occur. The current data lag makes it difficult to respond and provide timely and accurate advice to inform both government and business decisions on investments.

In the case of JSA, the time lags make it challenging to identify current VET activity and which qualifications students are enrolling in. Particularly in the aftermath of the COVID-19 lockdowns, it would have been useful to have seen how RTOs and students were responding, and whether any new skills shortages were emerging. As it stands, Total VET Activity data is still only available for 2021 and may not be reflective of where the market is now.

JSA products that could be enhanced by more timely and accurate data

The VDS reforms will enable more timely and accurate VET activity data, enhancing the quality and relevance of key JSA data products such as the VET National Data Asset (discussed in more detail below) and SkillsTracker. Having more timely and accurate VET data will enable JSA to provide a more comprehensive picture to the existing evidence base on student and business outcomes.

The VET National Data Asset (VNDA)

VNDA was initiated in 2021 and is a collaboration between JSA and the Australian Bureau of Statistics (ABS).

VNDA is a secure dataset that links unit records from the Total VET Activity data collected by NCVER with government administrative data from the Australian Taxation Office, Department of Social Services (DSS), Department of Education and other sources within an ABS secure environment. VNDA leverages the ABS' existing Multi-Agency Data Integration Project (MADIP) and Business Longitudinal Analysis Data Environment (BLADE) data assets.

VNDA provides the ability to examine a broad range of short-term and long-term outcomes following the completion of training. For example, it contains information on employee income, employment status, reliance on income support, and progression to further education and training. By using administrative data collected over multiple years, we can observe a range of measures in the years following training. This means it can greatly expand on the insights currently available through the NCVER Student Outcomes Survey. First results on outcomes by course are expected to be available to share with stakeholders during 2023.

While there are various lags associated with the multiple datasets that feed into VNDA, more timely updates of these data sets will allow much more up to date analysis, which is critical if this kind of link data assets are to inform policy decisions around government support for training.

Skills Tracker

Skills Tracker is another data product which utilises data linked through to the Multi-Agency Data Integration Project, including the Australian Tax Office (ATO), the Department of Social Services, and the Department of Education.

Skills Tracker builds on the Treasury's Real-Time Labour Market Tracker project that was used to monitor the labour market during the COVID-19 pandemic and associated economic shock. Skills Tracker links data to identify employment and training outcomes of people in the workforce and those without work. Skills Tracker therefore improves our understanding

of the supply and demand of skills existing in the labour market and flows coming from tertiary education. The most up to date VET activity data is central to improving the accuracy and timeliness of Skills Tracker analysis.

Initial work using Skills Tracker is examining the labour market outcomes of First Nations people, including how they fared during the COVID-19 lockdown period and subsequently. A second project currently underway is looking at new measures of insecure work in an attempt to improve the evidence base about how patterns in insecure work are changing over time.

Skills Tracker uses Single Touch Payroll (STP) data from the ATO, which is updated on a monthly basis. The fact that Total VET Activity data is almost two years old significantly limits the benefits of linking the high frequency STP data with VET activity data.

General analysis of VET system issues

JSA is developing its forward work program in consultation with tripartite partners and will be developing a more comprehensive program of work to meet the legislative requirement to provide advice on the adequacy of the VET system. An example of the type of work that may be undertaken going forward is the paper published by JSA in January 2023 entitled 'Vocational education and training in regional, rural and remote Australia'.[1] This paper finds that:

- training is driven to a large extent by local industries with higher enrolments in agricultural and engineering-related training in regional and remote areas when compared with major cities
- training in essential services, such as health and education, has an equal weighting across major cities and regions
- VET students in regional Australia are more likely to be Aboriginal and/or Torres Strait Islander students or from a lower socioeconomic background than their counterparts from major cities
- student satisfaction is consistently high across regions and over time.

This kind of analysis relies very heavily on VET activity data from the NCVER, along with other sources such as the Australian Bureau of Statistics. Again, the more frequent and up to date the VET activity data is, the more policy relevant this kind of research will be.

Conclusion

JSA supports the Bill in its efforts to modernise processes for the sharing of VET data as well as improving the timeliness and accuracy of VET data. This Bill will support JSA in its efforts to provide deeper analysis of the performance of Australia's VET system.

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[1] Jobs and Skills Australia (2023), Vocational educational and training in regional, rural and remote Australia', available at Vocational education and training in regional, rural and remote Australia | Jobs and Skills Australia