

Strengthening Skills

**Expert Review of Australia's Vocational
Education and Training System**

The Honourable Steven Joyce



Strengthening Skills

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Foreword

It is my pleasure to present this report of the Review of Australia's Vocational Education and Training system.

In line with the terms of reference, the Review considered ways to make the vocational education system more effective in providing Australians with the skills they need to be successful throughout their working lives.

A high quality vocational education sector is crucial for ensuring Australian businesses of all sizes have the skills they need to support their business growth, whether they be located in cities, regional or rural areas.

During the Review I consulted with a broad range of stakeholders in each State and Territory capital city, and in regional areas. I'd like to thank all of those who took the time to meet me in person or make a submission. I appreciate the passion and dedication they showed for this important and rewarding sector. I'd also like to thank the taskforce team for working so hard to assist me with this Review.

Finally, I would like to thank the Prime Minister and the Minister for Small and Family Business, Skills and Vocational Education for the opportunity to undertake this important task. I firmly believe that the recommendations of this Review will help to significantly strengthen and improve Australia's vocational education system and ensure that the Australian workforce is well trained and skilled both for our current world and into the future.

Steven Joyce



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Executive summary

For decades, vocational education and training (VET) has been one of the key pillars of Australia's economic success story. Generations of tradespeople and skilled workers have successfully developed their skills and knowledge in a practical work-based learning environment.

Vocational education today remains an effective and efficient way of imparting the skills needed for employment. If anything it's likely that work-based learning models will be more important in the future as technology-driven changes to the 'way we do things' need to be quickly transmitted across industries and around workplaces. Our fast-moving world will need flexible and applied ways of learning, so people can lay strong foundations for their careers and then build further skills and knowledge in order to participate in new and changing industries.

This Review set out to conduct a health check of the Australian VET sector to determine how ready it is to step up to the challenge of training more Australians, now and in the future.

Some good work has been done, particularly in setting up the key elements of an integrated national framework such as the national regulator, the Australian Skills Quality Authority (ASQA), and nationally-portable qualifications. The Government's creation of a universal student identifier and the new VET Information Strategy are further steps in the right direction. And the recent reforms to address the VET FEE-HELP issues have helped restore confidence in the sector that had been lost.

Most participants in this Review were very passionate about the vocational training model. They believe that 'learning while you earn' is critical for a fast-changing work environment.

However, many were also concerned whether the current VET systems and processes can deliver the sort of flexible work-based learning models that would help Australians obtain the necessary skills for the future of work.

Slow qualification development, complex and confusing funding models, and ongoing quality issues with some providers were cited as issues that needed addressing. Careers education, VET in schools and access for disadvantaged learners were also cited as needing attention to ensure VET continues to deliver for Australians.

These concerns are backed up by empirical evidence. Employer surveys show confidence in the sector declining, and numbers of qualification-seeking students decreasing.

This Review argues that there needs to be a significant upgrade to the architecture of the VET sector so it can successfully deliver the skills needed for Australia's future.

It proposes a new vision for vocational education in Australia as a modern, applied and fast-paced alternative to classroom-based learning. This Review recommends a six point plan for change and a roadmap for achieving it. The plan seeks to deliver a stronger skills sector which is a positive choice for many more Australians, whether they are starting their working lives or need new skills to advance their career.



In total, the Review makes 71 separate recommendations around the six points of the plan:

- Strengthening quality assurance,
- Speeding up qualification development,
- Simpler funding and skills matching,
- Better careers information,
- Clearer secondary school pathways, and
- Greater access for disadvantaged Australians.

The plan requires strong intergovernmental cooperation with the States and Territories, and would need to be delivered over a number of years. There are several first steps that can be taken quickly by the Australian Government that will make an immediate positive impact for employers and students using the VET sector.

Early actions the Government can take include:

- Bringing forward implementation of reforms to strengthen ASQA and quality assurance in the sector.
- Piloting a new business-led model of Skills Organisations for qualification development, and extending work-based VET further into less traditional areas.
- Establishing a new National Skills Commission to start working with the States and Territories to develop a new nationally-consistent funding model based on a shared understanding of skills needs.
- Revamping and simplifying apprenticeship incentives to increase their attractiveness to employers and trainees.
- Establishing a new National Careers Institute.
- Creating new vocational pathways for introduction into senior secondary schools.
- Providing new support for second chance learners needing foundation language, literacy, numeracy and digital skills.

These are steps that the Commonwealth can take on its own and should do so.

The Review is very conscious that the vocational education system in Australia is shared between the Commonwealth and the States and Territories. Many of the 71 recommendations will require the shared agreement of the two levels of government. The Review recommends the Commonwealth, States and Territories meet early to develop an agreed vision and a strategic plan which addresses all the recommendations over the next five to six years.

The successful execution of this plan will go a long way to lifting the confidence of employers, students and trainees in the vocational education sector. Crucially, it will elevate the status of VET to see it sit genuinely alongside higher education in the ambitions of young Australians and their communities.

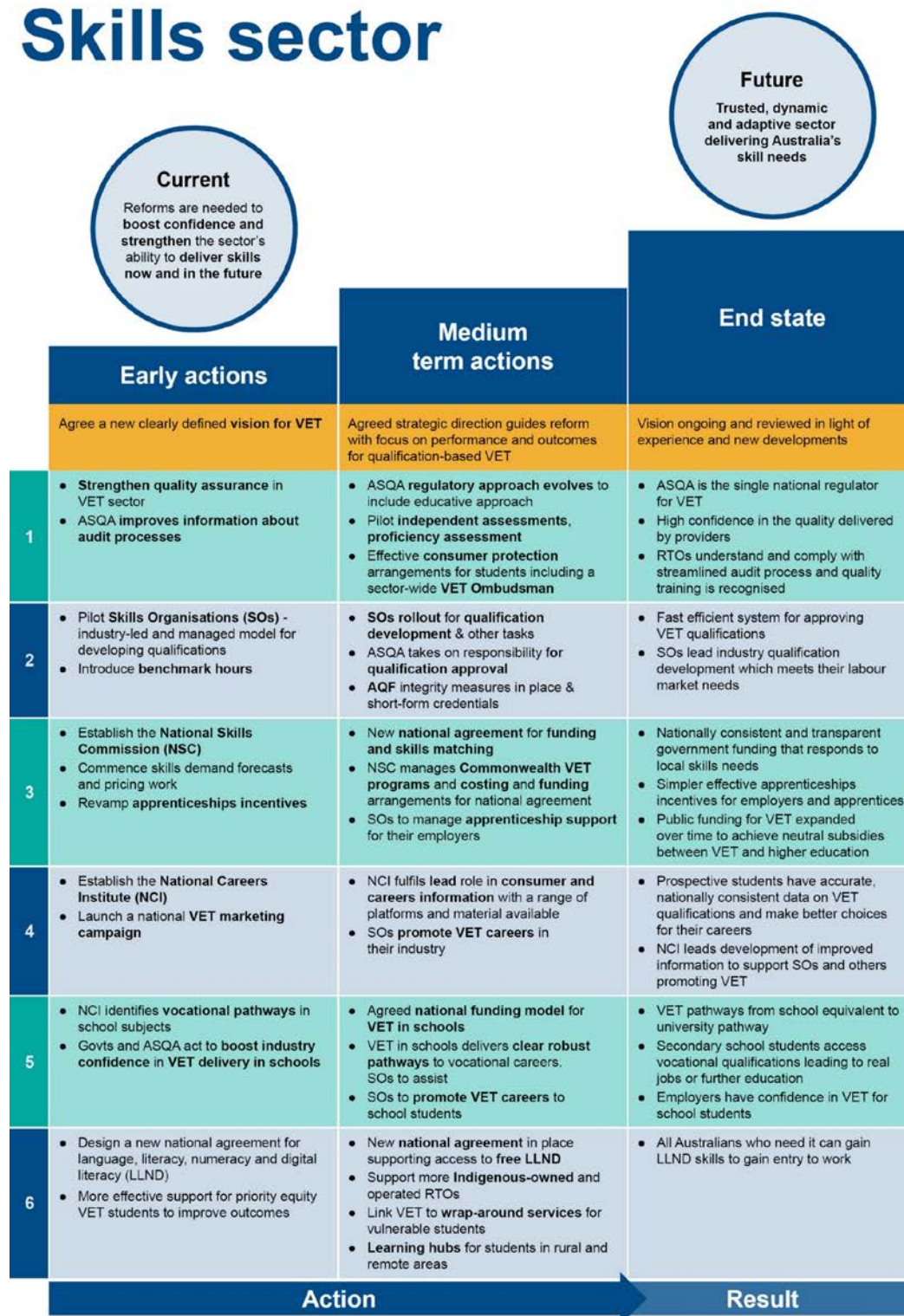


These reforms will set up a system of skills education that delivers more successfully for industry today and is ready to respond dynamically to the demands of tomorrow. Most importantly, it will ensure millions more Australians are ready and able to take advantage of new opportunities for skilled work whenever and wherever they arise.



Roadmap to a stronger Skills sector

Roadmap to a stronger Skills sector



View the text alternative for the [Roadmap to a stronger Skills sector](#).



About the Review

The Australian Government commissioned this Review of the Vocational Education and Training system to examine how the system can better deliver for Australian job-seekers and employers now and into the future.

The Review was asked to bring fresh eyes to the consideration of Australia's VET sector and insights from the New Zealand reform experiences.

The Prime Minister, the Honourable Scott Morrison MP, and the Minister for Small and Family Business, Skills and Vocational Education, Senator the Honourable Michaelia Cash, announced the Review on 28 November 2018. The terms of reference are as follows:

- The Review will have regard to VET funding, policy and regulatory settings and how they can be optimised to support both school leavers and workers to maximise the achievement of relevant skills and employment outcomes from the VET sector.
- It will examine skills shortages in VET-related occupations, in particular any tension between VET outcomes and the needs of industries and employers, and what might be done to better align these.
- It will consider expected changes in future work patterns and the impact of new technologies and how the VET sector can prepare Australians for those changes and the opportunities they will bring.
- The Review may consider the flexibility of qualification structures, particularly for mid-career workers, and for industries seeking rapid deployment of new skills.
- The Review may have regard to community perceptions of the effectiveness of the VET sector and the accessibility and utility of information about VET options and outcomes, both for employers and students, including information linking training options to employment outcomes.
- It may review whether additional support is needed for vulnerable cohorts, including those currently unemployed and at risk of unemployment, or those with low literacy and numeracy skills.
- The Review may seek out case studies of best practice in VET, and consider whether specific trials should be undertaken to test innovative approaches likely to deliver better outcomes.
- The Review should have regard to the scope and outcomes from any previous or forthcoming reviews, consultation to date, and inputs made by industry and peak groups.

The Review sought to engage with as many stakeholders as possible, seeking their views, experiences and aspirations for the VET system. Engagement took three forms: submissions, consultations and a student survey.



A public submission process was open from 11 December 2018 to 25 January 2019. Interested parties could provide a short submission through the web portal or upload a written submission. In total, 192 valid submissions were received from a broad cross-section of stakeholders including peak bodies, Commonwealth, State and Territory government agencies, VET providers, employers, students, and former students. Of the total number of submissions, 144 gave their consent to publish; these are listed at Appendix A.

Consultations were held on 23 days in every State and Territory capital city, and in the regional centres of Ballarat and Cairns. They included engagement with Commonwealth, State and Territory Ministers; Commonwealth and State and Territory departments; the Shadow Minister for Skills, Technical and Further Education (TAFE) and Apprenticeships; peak bodies; industry; VET providers; small businesses; unions; key position holders in the VET sector; and others with experience in the VET field. Organisations and individuals the Review consulted with are listed at Appendix B.

To capture the views of students, a survey was conducted by Qualtrics on behalf of the Review. It obtained the views of 2,160 school leavers aged between 17 and 22 years through a panel of survey participants Australia wide, including Aboriginal and Torres Strait Islander Peoples and young people in regional areas. In addition to the Qualtrics panel, the survey was advertised to other interested students on a number of social media platforms.

The Review was cognisant of a number of other reviews recently or currently being conducted in relation to aspects of the VET sector or tertiary education. It was informed and assisted by those reviews.

In particular, guidance was drawn from the Review of Australian Higher Education (2008); the Productivity Commission's Shifting the Dial: Five Year Productivity Review (2017); the Review of the *National Vocational Education and Training Regulator Act 2011* (2018); the current Australian Qualifications Framework Review; and the Regional Education Expert Advisory Group. These insights were further informed by the significant reforms to the apprenticeship and industry training system in New Zealand over the last decade and by other international systems.



1 The labour market and vocational education

The labour market challenge

The Australian economy has experienced almost three decades of uninterrupted growth. Over this time shifting demographics, technological advancements and increased pressure from overseas-based competitors have shaped the composition of the labour market, including an ongoing structural shift away from employment in primary production and manufacturing towards a more service-based labour market. This has created both challenges and opportunities.

Alongside the shift towards services, there has been a steady shift towards higher skilled occupations. The share of employment in skill level 1 occupations (generally requiring a bachelor degree or higher qualification) has increased from 23 per cent in 1988 to 32 per cent in 2018, while the share of employment at skill level 5 (generally requiring Year 12 or below) has fallen from 21 per cent to 17 per cent.¹ These trends are expected to continue.

New digital technologies are changing the way Australians live and work. Emerging technologies such as the internet of things, artificial intelligence, automation and robotics will affect the nature and type of jobs available and the skills and capabilities required to perform both new and existing jobs.² While it is difficult to anticipate precisely the scale and impact of these changes, we can be reasonably confident that the jobs of tomorrow will require new skills, and some existing skills will become obsolete.³

The changing nature of job roles is not exactly new. Technology has made largely obsolete jobs like photographic developers and printers, sewing machinists and switchboard operators over the last 30 years,⁴ and roles in occupations as diverse as accounting, agriculture and transport logistics have dramatically changed. The mix of roles is changing too. There are, for example, many fewer labourers in agriculture, forestry and fishing than 30 years ago but a rise in machinery operators, reflecting increasing capital intensity.⁵

¹ Australian Bureau of Statistics 2018, *Labour Force Australia – Quarterly, November 2018*, cat. no. 6291.0.55.003, Canberra (*Department of Jobs and Small Business trend*).

² World Bank 2019, *World Development Report 2019: The Changing Nature of Work*, Washington. DC: World Bank.

³ International Labour Organisation (ILO) 2019, *Work for a brighter future – Global Commission on the Future of Work*, Geneva: ILO.

⁴ Australian Bureau of Statistics 2018, *Labour Force Australia – Quarterly, November 2018*, cat. no. 6291.0.55.003, Canberra (*Department of Jobs and Small Business trend*).

⁵ Australian Bureau of Statistics 2018, *Labour Force Australia – Quarterly, November 2018*, cat. no. 6291.0.55.003, Canberra, original data.



However, it is generally accepted that the pace of change is picking up. Predictions vary,⁶ but the Organisation for Economic Co-operation and Development (OECD) estimates that in coming decades approximately 14 per cent of current jobs are at high risk of automation, while another 32 per cent are likely to be affected by significant modifications, changing how jobs are carried out.⁷ Non-routine, cognitive jobs, involving an emphasis on non-technical skills, are likely to be the most resilient in the face of automation.⁸ The World Economic Forum has highlighted the importance of non-technical skills such as creative thinking, originality, initiative, analytical thinking, innovation and complex problem solving in Australia's future skills needs.⁹

*Technological advances have the potential to boost productivity and enhance the competitiveness of all industries, but in so doing many of today's jobs will change. The trend of non-routine jobs comprising an increasing share of total employment is likely to continue.*¹⁰

While the changes to work and 'new skills' attract many of the headlines, there are industry-specific jobs that are currently in high demand and will remain so in the future.¹¹ The Government's agenda of new infrastructure projects will require increased numbers of skilled construction workers, the increased digitisation of the economy will require more people with information and communications technology (ICT) skills, and our ageing population will need personal carers with appropriate skills. Technology changes will affect how we work in most industries, but the purpose of many occupations will remain fundamentally unchanged.

To be work-ready, graduates have always needed a combination of technical skills and general employability. While the balance of these skills may shift, we should expect students will continue to need training that builds both. Training should aim to equip students with the skills needed for their first job, and the flexibility and adaptability to navigate future career transitions. As we cannot fully predict the future workforce landscape and the skills required, we also need a system that supports workers to upskill or retrain throughout their lives. In our increasingly computerised world, digital skills will be critical for the vast majority of workers.

⁶ Taylor, Charlie, Jules Carrigan, Hassan Noura, Seckin Ungur, Jasper van Halder, Gurneet Singh Dandona 2019, *Australia's automation opportunity: reigniting productivity and inclusive income growth* McKinsey & Company; Committee for Economic Development of Australia 2015, *Australia's future workforce?* Melbourne.

⁷ OECD 2018, *Job Creation and Local Economic Development 2018: Preparing for the Future of Work*, Paris: OECD Publishing.

⁸ Heath Alexandra 2017, 'Skills for the Modern Workforce', speech, Remarks to the Victorian Career Advisors Conference, Melbourne, Victoria, 1 December.

⁹ World Economic Forum 2018, *Future of Jobs Report: 2018*, Geneva.

¹⁰ Innovation and Science Australia, Submission to the VET Review, p 1.

¹¹ Department of Jobs and Small Business projects strong growth in care related occupations such as child carers (27,600) and education aides (18,800).



Sustained jobs growth in Australia to continue

Over the 10 years to November 2018, almost two million additional jobs were created in Australia, half of which were in just three industries: Health care and social assistance (up by 565,900 jobs), Professional, scientific and technical services (up by 308,000 jobs) and Education and training (up by 234,800 jobs).¹²

The Government has committed to the creation of a further 1.25 million new jobs over the next five years. The Department of Jobs and Small Business projects that the largest share of new jobs over this period will be in Health care and social assistance, the Construction industry, Education and training, and Professional, scientific and technical services.¹³ These projections also predict that 90 per cent of all new jobs will require some form of post-school education.

In view of Australia's ageing population and the operation of the National Disability Insurance Scheme, the Department of Jobs and Small Business (DJSB) projects that employment of aged and disability carers will increase by 39 per cent over the five years to May 2023. Additionally, ICT support technicians are projected to increase by 19 per cent and chefs by 17 per cent over the same period.¹⁴

The Australasian Railway Association has estimated that there will be a 28 per cent workforce gap (the difference between labour demand and supply, accounting for attrition) in the rail industry by 2023–24;¹⁵ and the Government's \$90 billion investment for naval-ship building projects is expected to generate an additional 25,000 jobs in South Australia alone.¹⁶ Given there will also be a need to replace existing workers as they retire or change occupations, there will be significant ongoing demand for skilled workers.

Skills shortages

Skills shortages already exist in many parts of the Australian labour market. They can be due to a number of complex and interacting factors, not all directly related to training or the number of people being trained. High levels of aggregate demand are resulting in a tightening labour market in some states. For some occupations, relatively low wages, unattractive working conditions, regulatory changes or high staff turnover limit the ability of employers to attract and retain sufficient workers.

¹² Australian Bureau of Statistics 2018, *Labour Force Australia – Quarterly, November 2018*, cat. no. 6291.0.55.003, Canberra, trend data.

¹³ Department of Jobs and Small Business 2018, *Industry Employment Projections, five years to May 2023* Canberra: Australian Government.

¹⁴ Department of Jobs and Small Business 2018, *Occupation Employment Projections, five years to May 2023* Canberra: Australian Government.

¹⁵ The Australasian Railway Association, Submission to the VET Review.

¹⁶ Christopher Pyne, Simon Birmingham and Karen Andrews, "Naval shipbuilding college to meet naval shipbuilding needs", joint media release, 3 April 2018.



Skills shortages are particularly prevalent in trade related occupations, with shortages evident in nearly all trade occupations surveyed in 2018.¹⁷ For many of these occupations, the shortages are long-standing, having been evident for most of the last decade. Notably, they are in occupations for which an apprenticeship is the main training pathway; low training wages for up to four years were cited by respondents to the Review as one reason why young people are less attracted to the traditional apprenticeship model.

Businesses are able to use migration to help meet their skills needs. In 2017–18 around 111,000 people entered Australia through the Skill stream of the Migration Program, of which 6,640 were for Technician and trades workers occupations.¹⁸ In addition to permanent skilled migration, employers are able to meet short term skills needs through temporary visas. As at 30 June 2018, there were 83,470 temporary skill visa holders in Australia, of which 23,010 were for Technicians and trades workers occupations and a further 1,540 were for Community and personal service workers.¹⁹

With changes to Australia's approach to skilled visas and significant projected employment growth in certain occupations, there will be further pressure to digitise and automate to fill skills gaps. It is critical that the vocational education sector is able to deliver quality training in a flexible and innovative manner to help prevent skills gaps from emerging and to keep pace with the rate of technological change.

The Australian vocational education and training system

Features of the VET sector

Students

In 2017, an estimated 4.2 million students participated in the national vocational education and training sector across Australia. Around half of VET students undertook training in a short course – these included skillsets or subject-only enrolments, such as first aid courses and Responsible Service of Alcohol. The remainder were training in an Australian Qualifications Framework (AQF) qualification. Of all VET students, just over one-third (35 per cent) were studying an institutional VET qualification and 8 per cent were undertaking an apprenticeship or traineeship.²⁰ Around 6 per cent of VET students were school students undertaking VET as part of their senior secondary certificate of education, including around 20,000 undertaking an Australian School-based Apprenticeship. Figure 1.1 provides details.

¹⁷ Department of Jobs and Small Business 2018, *Ratings Summary – Labour Market Analysis of Skilled Occupations 2018*, Canberra: Australian Government.

Note: the Department of Jobs and Small Business skill shortage research covered around 25 per cent of all technician and trade occupations in 2018.

¹⁸ Department of Home Affairs 2018, *2017–18 Migration Program Report: Program year to 30 June 2018*, Canberra: Australian Government.

Note: These data refer to primary visa holders (whose skills are assessed against an occupation for visa purposes) and secondary visa holders (that is, spouses and dependents who are not assessed against an occupation or aligned to an occupation for visa purposes).

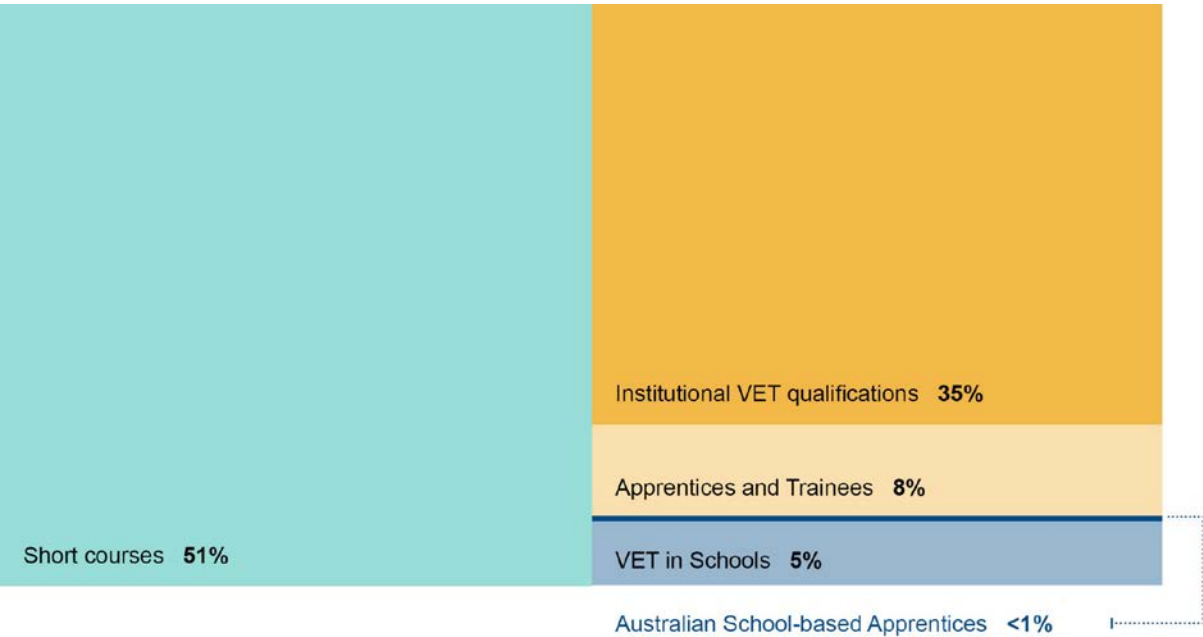
¹⁹ Department of Home Affairs 2018, *Temporary resident (skilled) report at 30 June 2018*, Canberra: Australian Government.

Note: Data refer to primary visa holders for both subclass 457 and 482.

²⁰ NCVER 2018, *National VET Provider Collection*, Adelaide: NCVER (accessed via VOCSTATS).



Figure 1.1: VET students, by training type, 2017²¹



- Notes:
- 1. The proportion of students of each training grouping is illustrative only and does not account for students undertaking study of more than one type.
 - 2. ‘Short courses’ includes subject-only enrolments and skillsets.
 - 3. In this diagram, qualifications delivered as part of an apprenticeship or traineeship are categorised under ‘Apprentices and Trainees’; whereas ‘Institutional VET qualifications’ includes programs that have an AQF level but are not delivered as part of an apprenticeship or traineeship.

View the text alternative for [Figure 1.1](#).

In 2017, around 1.2 million VET students received some amount of government subsidy. Of these, over three-quarters (76 per cent) were training in a VET course that was not an apprenticeship or traineeship.²²

Nearly all apprentices and most trainees received a government subsidy. Around half of students undertaking an institutional VET qualification, who are not an apprentice or trainee, received a subsidy.

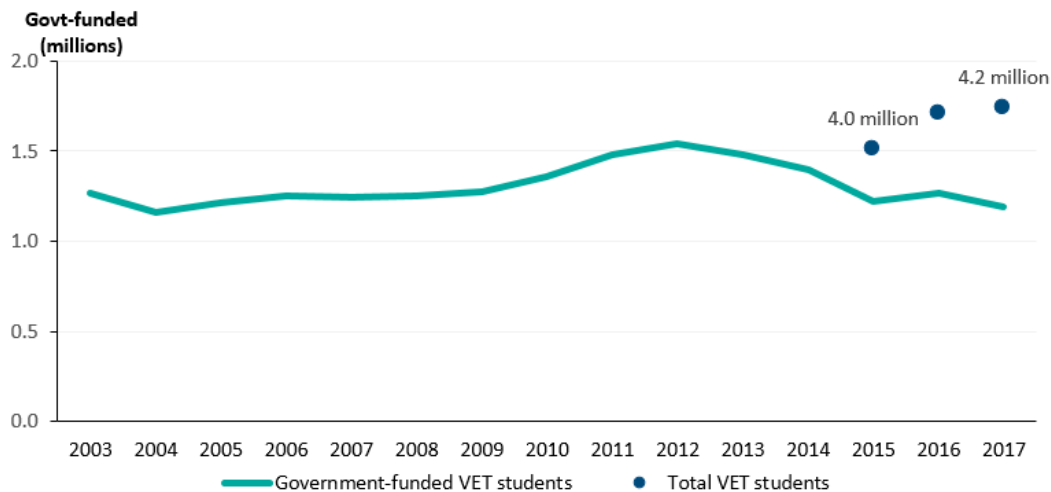
Government-funded VET enrolments are highly responsive to policy changes. From 2009 to 2012, the number of government-funded VET students increased by around 21 per cent; this was mainly driven by growth in enrolments in certificate III and IV qualifications resulting from the introduction of the entitlement to government funding system in Victoria in 2009.²³

²¹ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).
²² NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).
²³ Burke, Gerald 2018, *Changes in funding in Australian vocational education and their effects*, Victoria: L H Martin Institute, Graduate School of Education, University of Melbourne.



From 2012 to 2017, government-funded VET enrolments fell by around 23 per cent. This was driven by several policy changes, including the withdrawal of employer incentives for existing worker traineeships and tightening of the entitlement schemes in several jurisdictions, including Victoria and South Australia.²⁴ Government-funded VET enrolments in 2017 were very similar to 2004 levels. See Figure 1.2 for trends in total and government-funded students from 2003 to 2017.

Figure 1.2: Trends in total and government-funded students, 2003 to 2017²⁵



Note: The total VET students and courses data collection commenced in 2014. The data collection is not yet sufficiently mature to undertake robust trend analysis.

View the text alternative for [Figure 1.2](#).

In 2017, of all VET students:

- nearly one-third were aged less than 25 years, around 42 per cent were aged 25 to 44 years and around 24 per cent were aged 45 years or over,
- 51 per cent identified as male, and 47 per cent as female,
- 28 per cent trained in regional locations and 3 per cent in remote or very remote locations. This compares to 27 per cent of the Australian population living in regional areas and 2 per cent living in remote or very remote areas,²⁶
- 3 per cent identified as Indigenous, similar to the proportion of the total Australian population,²⁷
- 4 per cent reported as having a disability, and
- 4 per cent were international students.

See Appendix C for information about VET student demographics.

²⁴ Hargreaves, Jo, Stanwick John and Skujins Peta 2017, *The changing nature of apprenticeships 1996–2016*, Adelaide: NCVER; Bowman, Kaye and Suzy McKenna 2016, *Jurisdictional approaches to student training entitlements: commonalities and differences*, Adelaide: NCVER.

²⁵ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).

²⁶ Australian Bureau of Statistics 2017, *Census of Population and Housing – 2016*, cat no. 2017.0. Canberra.

²⁷ Australian Bureau of Statistics, *Census of Population and Housing – 2016*, cat no. 2017.0.



Qualification levels and courses

In 2017, there were nearly 3.4 million VET program enrolments. This includes enrolments in training package qualifications, skillsets and accredited courses and excludes subject-only enrolments. Nearly three-quarters (74 per cent) of program enrolments were in a training package qualification. Around 18 per cent were in a nationally or locally accredited course and 8 per cent were in a nationally or locally accredited skillset.

In 2017, there were 2.5 million reported program enrolments across 59 training packages. Business Services accounted for the largest share of enrolments (14 per cent), followed by Community Services (13 per cent) and Tourism, Travel and Hospitality (9 per cent). The top 20 training packages by enrolments in 2017 are shown in Figure 1.3.

Figure 1.3: Top 20 training packages by enrolments, 2017²⁸



- Notes:
- * Information and Communications Technology
 - ** Agriculture, Horticulture and Conservation, and Land Management
 - ^ Electrotechnology
 - # Hairdressing and Beauty Services

View the text alternative for [Figure 1.3](#).

At the qualification level, the most commonly enrolled qualifications were related to childhood education and care, and business. The top 10 enrolled qualifications are shown in Table 1.1.

Appendix D provides a list of all training packages and their associated qualifications.

²⁸ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).

**Table 1.1: Top 10 qualifications by enrolments from VET training packages, 2017²⁹**

	Number of enrolments	Percentage of total enrolments
Diploma of Early Childhood Education and Care	67,532	2.7%
Certificate III in Individual Support	61,935	2.5%
Certificate III in Early Childhood Education and Care	54,226	2.2%
Certificate III in Business	45,712	1.8%
Certificate II in Business	44,293	1.8%
Certificate I in Construction	42,600	1.7%
Diploma of Leadership and Management	41,205	1.6%
Certificate II in Skills for Work and Vocational Pathways	35,240	1.4%
Certificate II in Hospitality	34,922	1.4%
Certificate III in Electrotechnology Electrician	33,617	1.3%
Total training package qualifications	2,507,352	

Apprentices and trainees

The latest estimates from the National Centre for Vocational Education Research (NCVER) show that as at 30 September 2018, there were 267,400 apprentices and trainees in-training. Of these, 173,090 (65 per cent) were training in a trade-related occupation (Australian and New Zealand Standard Classification of Occupations major group 3 Technicians and trades workers).³⁰ A total of 18 per cent of trade apprentices were training to be a bricklayer, carpenter or joiner, 16 per cent to be an electrician, 13 per cent to be an automotive electrician or mechanic, and 10 per cent to be a plumber.

Since 2012, the total number of apprentices and trainees in-training has nearly halved (down by 45 per cent), from 485,500 as at 30 September 2012 to 267,400 as at 30 September 2018. The main reduction has been in non-trade apprentices (down by 66 per cent), which was driven by the removal of employer incentives for existing worker traineeships and apprenticeships not on the National Skills Needs List (NSNL) in 2012 and 2013.³¹

For trade occupations, the number of apprentices in-training fell by 18 per cent over the same period, mainly in trade occupations not on the NSNL.³² See Figure 1.4 for the trend in apprentices and trainees in-training from 30 September 2008 to 30 September 2018.

²⁹ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).

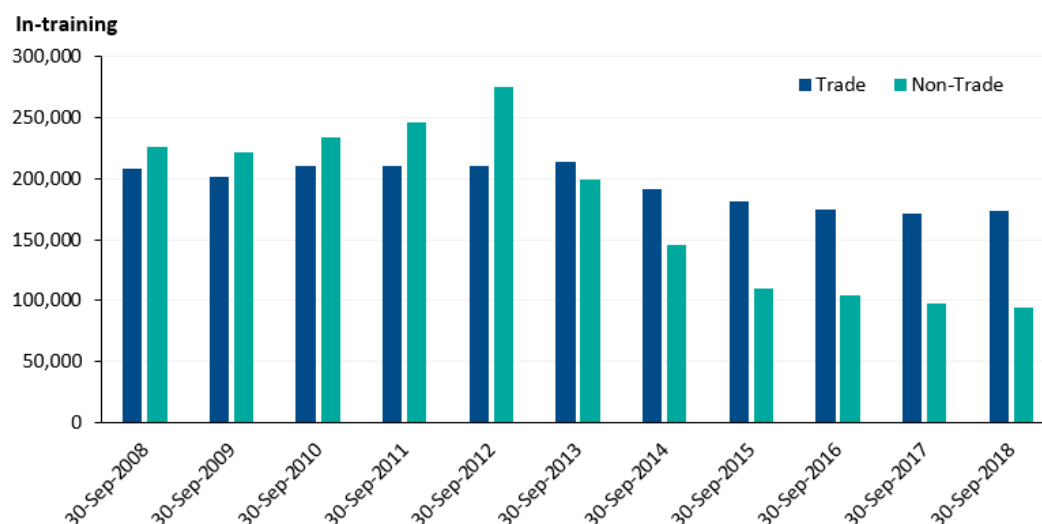
³⁰ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).

³¹ Hargreaves, Stanwick and Skujins, *The changing nature of apprenticeships 1996–2016*.

³² From 30 September 2012 to 30 September 2018, there was a 60 per cent reduction in the number of apprentices in-training in non-NSNL occupations and a 4 per cent reduction in NSNL occupations.



Figure 1.4: Trend in apprentices and trainees in-training by trade and non-trade occupations, 30 September 2008 to 30 September 2018³³



View the text alternative for [Figure 1.4](#).

Employers

In 2017, 54 per cent of employers used the VET system to meet their training needs, while 51 per cent arranged or provided unaccredited training to their staff. Large employers were more likely to use the VET system (85 per cent), compared with small employers (48 per cent).³⁴

Registered Training Organisations

As at 1 February 2019, there were a total of 4,302 Registered Training Organisations (RTOs) registered to deliver national recognised training.³⁵ Of these, 75 per cent were private training providers. The remainder were publicly funded institutions such as TAFE institutions, some dual-sector universities and schools and other providers such as community education providers, enterprise providers and industry and professional associations.³⁶ Around 89 dual-sector providers are registered to deliver both VET and higher education courses.³⁷

Over 60 per cent of all VET students trained at a private Registered Training Organisation (RTO) in 2017, with the next largest group being at TAFEs (16 per cent). However, around 30 per cent of students who were studying a VET qualification did so at a TAFE.³⁸

³³ NCVER 2018, *Apprentices and Trainee Collection*, Adelaide: NCVER (accessed via VOCSTATS).

³⁴ NCVER 2017, *Australian vocational education and training statistics: employers' use and views of the VET System 2017*, Adelaide: NCVER.

³⁵ "RTO Count", Training.gov.au, accessed 20 February 2019, <https://training.gov.au/Reports/RtoCount>.

³⁶ Professional associations provide professional development for a particular industry.

³⁷ Tertiary Education Quality Standards Agency (TEQSA) 2018, *Statistics report on TEQSA registered higher education providers 2018*, Melbourne.

³⁸ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).



TAFEs received around 72 per cent of government funding in 2017, and trained about 49 per cent of total government-funded VET students. Non-TAFE providers received about 28 per cent of government funding and trained just over half of government-funded students.

In terms of student cohort size, TAFEs had the largest student cohorts with an average estimated 16,600 students per TAFE compared with an average of 808 students per private RTO. However, there are also private RTOs with large student cohorts.

Key parts of the VET architecture

The Commonwealth and State and Territory governments have joint responsibility for the VET sector. These arrangements, including objectives and outcomes, are set out in the National Agreement for Skills and Workforce Development (NASWD).

The States and Territories are largely responsible for the delivery and operation of VET in their own jurisdictions, including funding of RTOs and the matching of funded training delivery to local economic priorities.

Over time, the Commonwealth has become increasingly involved in VET policy particularly in the areas of qualifications and quality assurance. The Commonwealth and States and Territories share responsibility for the architecture that provides national qualifications that are recognised across all States and Territories. The Council of Australian Governments (COAG) Industry and Skills Council (CISC), comprising Commonwealth, State and Territory government industry and skills ministers, is mandated to provide leadership and direction for the sector.

The Australian Industry and Skills Committee (AISC) comprises government-appointed industry representatives from the Commonwealth and each State and Territory who advise CISC on policy directions and decision making in the national training system as well as coordinating the development of training packages.

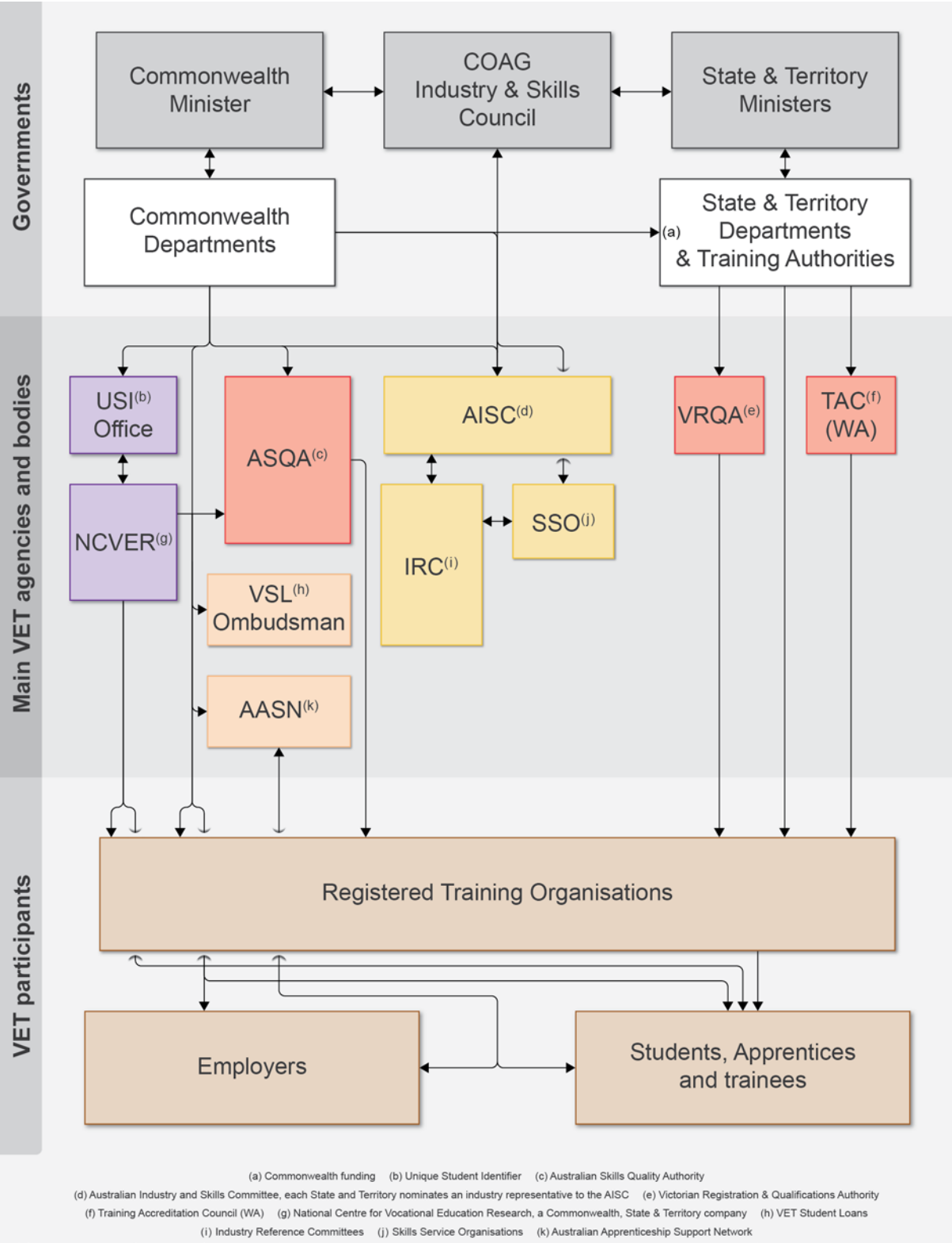
A training package is a set of nationally endorsed standards and qualifications for recognising and assessing people's skills in a specific industry, industry sector or enterprise. Training packages are developed by Industry Reference Committees (IRCs) working with Skill Service Organisations (SSO), to ensure that industry skill requirements are reflected in the national training system. Industry Reference Committees report to the AISC, which refers training packages to CISC for final approval.

The relatively new national regulator of VET, the Australian Skills Quality Authority, registers training providers, monitors compliance with national standards and investigates quality concerns, for all States and Territories that have referred their powers. In the two States that haven't referred, Victoria and Western Australia, ASQA regulates providers who enrol international students and multi-jurisdictional providers while remaining RTOs are registered with the Victorian Registration and Qualifications Authority and the Training Accreditation Council Western Australia.

See Figure 1.5 for a schematic of the current VET system.



Figure 1.5: Schematic of the current VET system



View the text alternative for [Figure 1.5](#).



Short history of vocational education in Australia

The Australian VET system evolved gradually. The initial expansion of apprenticeships across a variety of fields and the establishment of vocational institutions (for example, technical colleges) occurred differently in each State and Territory and with little Commonwealth funding.

A greater Commonwealth involvement in VET commenced during the 1970s.³⁹ The Kangan Committee report of 1974, *TAFE in Australia*,⁴⁰ began a significant expansion of the VET sector. During this period, the apprenticeship model was extended to a much wider range of occupations, mainly non-trade,⁴¹ and the Australian Traineeship System was introduced (1985) for jobs in the service industries.⁴²

In 1990, the Commonwealth, State and Territory governments agreed on a national approach to VET with shared responsibility, and in 1992 the national Vocational Education and Training System Agreement was signed.⁴³ The agreement made provisions for nationally recognised competency-based training, recognition of an individual's prior learning, a role for industry in driving the system and the development of a more open national training market.

The Australian National Training Authority (ANTA) was established in 1994, the National Training Framework also in 1994 and the AQF in 1995.

The VET system has undergone a number of changes in the last decade as the Commonwealth, State and Territory governments have introduced reforms in federal financial relationships and public funding programs, revised national structures in qualification development and quality assurance, and made changes to the governance of government-owned training providers. At the same time, the States and Territories have undertaken reforms of their training subsidies and their own training providers.⁴⁴ See Table 1.2 for key changes that have occurred.

³⁹ Department of the Prime Minister and Cabinet 2014, *Roles and responsibilities in education part B: reform of the Federation White Paper issues paper 4*. Canberra: Australian Government. Retrieved from Analysis and Policy Observatory Website: <https://apo.org.au/node/56124>.

⁴⁰ Kangan, Myer, Australian Committee on Technical and Further Education 1974, *TAFE in Australia: report on needs in technical and further education, April 1974 [Kangan report]*, Canberra: Australian Government Publishing Service.

⁴¹ Committee of Inquiry into Labour Market Programs 1985, *Report of the Committee of Inquiry into Labour Market Programs [Kirby Report]*, Canberra: Australian Government Publishing Service.

⁴² Ray, John 2001, *Apprenticeship in Australia: An historical snapshot*, Leabrook, Adelaide: NCVER.

⁴³ Bowman, Kaye and Suzy McKenna 2016, *The development of Australia's national training system: a dynamic tension between consistency and flexibility*, Adelaide: NCVER.

⁴⁴ Bowman, Kaye and Suzy McKenna 2016, *Jurisdictional approaches to student training entitlements: commonalities and differences*, Adelaide: NCVER.



The general objective of the reforms has been to improve skills in Australia to support economic growth through stronger labour force participation and productivity. The reforms have supported more student and employer choice in training providers, with targeted subsidies and income-contingent loans from governments being made available to a broader range of public and private RTOs. In recent times, as a result of budget pressures, demand-driven programs have become increasingly targeted to priority skills areas, support for first qualifications, those impacted by structural adjustment, and/or people who need assistance to engage in training, including foundation skills.

The operations of publicly owned providers, the TAFEs, have become more independent to allow greater flexibility in meeting the needs of students and industry. There are clearer subsidies for training separate from general support for the public institution. Changes to subsidies and governance under demand-driven models have led to budget pressures and adjustment challenges for the TAFEs.

The NASWD was updated in 2012, and a new National Partnership Agreement on Skills Reform (NPASR) was agreed to drive reforms of the national training system, including the introduction of demand-driven contestable market funding and a national training entitlement. This also involved expanding access to income-contingent loans for subsidised higher level courses (VET FEE-HELP).⁴⁵

Further changes were made by Commonwealth and State and Territory governments as a result of unintended consequences associated with this agreement. Poor provider behaviour related to the national training entitlement, government subsidies and the VET FEE-HELP scheme necessitated stronger contracting arrangements to stop exploitative behaviour.

Table 1.2: Australian VET system – selected key reforms

1990s	<p><i>Vocational Education and Training Funding Act 1992</i> enabled the Commonwealth to provide funding to the States and Territories for VET delivery (to 2005). The ANTA was established in 1994 and continued until 2004.</p> <p>New apprenticeship model (now Australian Apprenticeships) introduced along with user choice (employee and employer could choose the RTO), part time and existing worker arrangements as well as the introduction of school-based apprenticeships and traineeships. National training packages started to replace State and Territory-based course material for qualifications. Public funding expanded from TAFEs to include some private training providers. Apprenticeship incentives introduced and expanded.</p>
1998-2006	<p>Expansion of the 'New Apprenticeships package' including a new incentives program, expanded VET in schools and school-based apprenticeships and traineeships, plus introduction of a New Apprenticeship Access Program to provide support for job-seekers to obtain a New Apprenticeship. Also introduced New Apprenticeship Centres.⁴⁶</p>
2005	<p><i>Skilling Australia's Workforce Act 2005</i> introduced to enable the Commonwealth to continue financial assistance to the States and Territories for VET (to 2017). Australian Technical Colleges and Tools for your Trade initiative introduced.</p>

⁴⁵ Council of Australian Governments 2012, *National Partnership Agreement on Skills Reform*, Canberra.

⁴⁶ Ray 2001, *Apprenticeship in Australia: An historical snapshot*, Leabrook, Adelaide: NCVER.



2008	Skills Australia established (renamed the Australian Workforce and Productivity Agency in 2012) (continued until 2014).
2009	NASWD came into effect as part of the new Intergovernmental Agreement on Federal Financial Arrangements (current). Commonwealth's income-contingent loan ⁴⁷ scheme (VET FEE-HELP) to VET students in diploma and advanced diploma full-fee qualifications was introduced (previously loans had only been available for higher education students).
2011	Building Australia's Future Workforce reforms announced including establishment of the National Workforce Development Fund, incentives for competency-based progression of Australian Apprenticeships and trade apprenticeship mentoring. ⁴⁸ ASQA established as the national regulator. States and Territories (except Victoria and Western Australia) join over the next few years.
2012	A new NPASR agreed. This included the introduction of demand-driven contestable market funding and a national training entitlement (to 2017). States and Territories introduced reforms to subsidy systems, and also reformed their TAFEs, noting that Victoria started reforms in 2009 and South Australia in 2012. ⁴⁹ Access to VET FEE-HELP for subsidised higher level courses expanded to a broader range of public and private providers.
2012-2013	Apprenticeship incentives for a range of employers and existing workers discontinued, including apprenticeships and traineeships not leading to occupations on the NSNL.
2014	Tools for your Trade payments ceased and converted to Trade Support Loan Program.
2015	AISC by CISC along with IRCs and SSO. Australian Apprenticeship Support Network (AASN) introduced.
2017	VET Student Loans (VSL) replaced VET FEE-HELP.
2018	New National Partnership Agreement, the Skilling Australians Fund, agreed to support apprenticeship numbers. New South Wales, South Australia, Western Australia, Tasmania, Northern Territory and the Australian Capital Territory are signatories to the Skilling Australians Fund.

Current reforms in VET

A number of key reforms are currently under way in the VET sector. Some of the more significant pieces of work include the Government's response to Professor Valerie Braithwaite's independent review of the *National Vocational Education and Training Regulator Act 2011* (NVETR Act).⁵⁰ Professor Braithwaite's review examined the legislative capacity of ASQA to ensure effective regulation of the VET sector.

⁴⁷ An income-contingent loan is a loan for which repayments are not required unless a person's income reaches a certain threshold and with repayments that vary according to income above that threshold.

⁴⁸ Australian Government 2011, *Budget Paper No. 2, Budget Measures 2011-12*, Canberra.

⁴⁹ NCVER 2016, *Jurisdictional approaches to student training entitlements: commonalities and differences*, Adelaide: NCVER.

⁵⁰ Braithwaite, Valerie 2018, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*. Canberra: Australian Government.



The Commonwealth, State and Territory governments, industry peak bodies and the AISC are working together on training package reform. A 2017 discussion paper, 'The Case for Change', informed the work, which is focused on qualification design.

The training package reform work is linked to a review of the AQF. The intent of that review is to 'ensure that the AQF continues to meet the needs of students, employers, education providers and the wider community'.⁵¹ The AQF review will be completed by September 2019.

As part of its regional education package, the Commonwealth established an Expert Regional Education Advisory Group to develop a strategy to address education and training opportunities in regional communities. This will include improving access, opportunity and choice in post-secondary education. The Group is scheduled to deliver its final report by 28 June 2019.

Additionally, the CISC is working to improve VET performance information available for consumers, including a new employer survey, an RTO performance dashboard on the My Skills website and improved data linkages to show VET pathways and outcomes.

The Commonwealth is working to improve the data available to students to help them identify pathways to job opportunities through education through a Jobs and Education Data Integration project. This project is expected to include a Skill Transferability Tool by mid-2019.

Public funding for VET

Total public funding into the VET sector increased rapidly from \$7.8 billion in 2008–09 to a peak of \$9.4 billion in 2014–15.⁵² The increase was partially driven by the expansion of the VET FEE-HELP scheme in 2012, with the removal of the requirement that VET FEE-HELP courses had to articulate into a higher education course. This was exploited by unscrupulous providers who enrolled unqualified students in courses, leaving the students with a debt and no qualification.

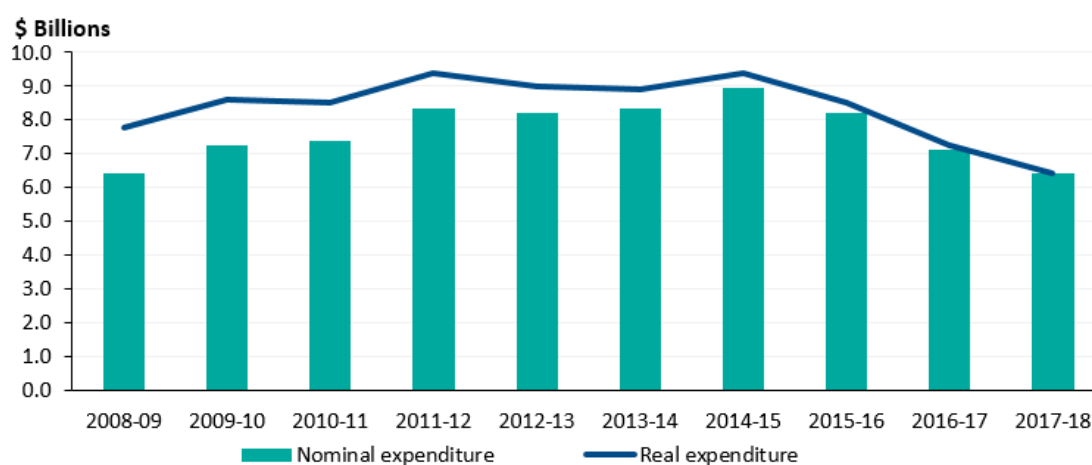
In 2016, the Commonwealth announced the closure of the VET FEE-HELP scheme and in 2017, replaced it with the more targeted VSL program. This change, along with the removal of employer incentives for existing worker traineeships and non-NSNL trade apprentices in 2012 and 2013, and a decline in State and Territory subsidy funding from 2012–13, contributed to total public funding falling by 32 per cent to just over \$6 billion in 2017–18 (see Figure 1.6). Funding is discussed further in Chapter 5.

⁵¹ Department of Education and Training, "Australian Qualifications Framework Review", <https://www.education.gov.au/australian-qualifications-framework-review-0>.

⁵² Department of Education and Training, *Annual Reports*; Australian Government, *Final Budget Outcome papers*, 2008–09 to 2016–17; NCVER 2018, *Australian vocational education and training statistics: financial information*, 2008 to 2017, Adelaide: NCVER; Australian Bureau of Statistics 2019, *Consumer Price Index, Australia, December 2018* cat.no. 6401.0; Department of Education and Training, unpublished data.



Figure 1.6: Total government expenditure into the VET system⁵³



Notes:

1. Excludes capital expenditure.
2. Includes cash outlays for income contingent loans, i.e. VET FEE-HELP, VSL and Trade Support Loans.
3. Real expenditure (base = 2017–18).

View the text alternative for [Figure 1.6](#).

Current VET sector performance

Completion rates

For government-funded VET programs, the completion rate was 39 per cent for programs commenced in 2014, a slight decrease from 40 per cent for courses commenced in 2012. NCVER projects that the completion rate for all VET programs commenced in 2016 will be 47 per cent.

Government-funded VET programs commenced in 2014 at the diploma level and above had the highest completion rate, 51 per cent, compared to other VET qualification levels. NCVER has projected that in 2016, certificate IV programs will have the highest completion rate at 54 per cent.⁵⁴

⁵³ Department of Education and Training, *Annual Reports*; Department of Education and Training, *Portfolio Additional Estimates Statements*, 2017–18; Australian Government, *Final Budget Outcome papers*, 2008–09 to 2017–18; NCVER 2018, *Australian vocational education and training statistics: financial information*, 2008 to 2017, Adelaide: NCVER; Australian Bureau of Statistics 2019, *Consumer Price Index, Australia, December 2018* cat.no. 6401.0; Department of Education and Training, unpublished data.

⁵⁴ NCVER 2018, *VET program completion rates 2016*, Adelaide: NCVER.



The individual completion rate for apprentices and trainees commencing in 2013 was 60 per cent for all occupations;⁵⁵ an increase from 59 per cent for 2011 commencements.⁵⁶ Trade occupations completions were 59 per cent while non-trade occupations were 60 per cent.

Employment outcomes

Employment outcomes for VET students are generally positive. In 2018, around 59 per cent of students who graduated from a VET course in 2017 stated that their employment status had improved after the training.⁵⁷ Of those who were not employed before training, 48 per cent were employed after training – this was similar regardless of whether they completed a subject or a full qualification.

Around 85 per cent of students who graduated from a VET course in 2017 were employed or enrolled in further study after training. People who complete higher VET qualifications generally earn more money than those without qualifications. Those with a certificate III or IV averaged median weekly earnings of \$1,087 in 2018, compared to those with no post-school qualification, who averaged \$844.⁵⁸

Apprenticeship and traineeship graduates had much higher rates of employment after training, at 71 per cent compared with 56 per cent for other VET graduates. Of graduates who undertook their training as part of an apprenticeship or traineeship in 2017, 80 per cent were employed in 2018.

In 2018, the median annual income of 2017 VET graduates employed full time after training was \$56,600. This can be compared with the median salary of \$61,000 for graduates from undergraduate courses who are employed full time.⁵⁹

Employer satisfaction with training

Employer satisfaction with the Australia VET system has been declining in recent years. In 2017, a survey of employers with jobs requiring VET found that approximately 75 per cent were satisfied that vocational qualifications provide employees with the skills they need for the job. This compares with a peak of 85 per cent in 2011. Employer satisfaction is now at its lowest rate in 10 years.⁶⁰

⁵⁵ NCVER 2018, *Australian vocational education and training statistics: completion and attrition rates for apprentices and trainees 2017*, Adelaide: NCVER.

⁵⁶ NCVER 2017, *Australian vocational education and training statistics: completion and attrition rates for apprentices and trainees 2016*, Adelaide: NCVER.

⁵⁷ NCVER 2018, *Australian vocational education and training statistics: VET student outcomes 2018*, Adelaide: NCVER.

⁵⁸ Australian Bureau of Statistics 2018, *Characteristics of Employment, Australia August 2018*, cat. no. 6333.0, Canberra.

⁵⁹ Social Research Centre 2019, *2018 Graduate Outcomes Survey – National Report*. Canberra: Department of Education and Training.

⁶⁰ NCVER 2017, *Employers use and views of the VET System 2017*, Adelaide: NCVER.



In 2017, 78 per cent of employers with apprentices and trainees were satisfied that students were obtaining skills they need from training (down from 82 per cent in 2015), while 82 per cent of employers who were using nationally recognised training were satisfied with training (down from 84 per cent in 2017). Of the 11 per cent of employers that were dissatisfied with vocational qualifications, poor training quality, not teaching relevant skills or not enough focus on practical skills were raised as the prevailing concerns.⁶¹

In comparison, of the 51 per cent of employers who used unaccredited training in 2017, 89 per cent reported that they were satisfied with this training. Of the employers who used unaccredited training, 11 per cent said there was comparable nationally recognised training available. When asked why they chose unaccredited training instead, the most common reasons were cost effectiveness (37 per cent) or that the approach was tailored to their needs (26 per cent).

A further 25 per cent of the employers using unaccredited training did not investigate the availability of national training, with other research suggesting a lack of awareness and the complexity of VET are both barriers to employers engaging with the system.⁶²

Student satisfaction with training

Students reported relatively high levels of satisfaction with VET with 87 per cent of 2017 qualification graduates satisfied with the overall quality of training. This result was slightly higher than the previous year (85 per cent).

Domestic fee-for-service graduates recorded slightly lower satisfaction rates (86 per cent) compared with Commonwealth and State or Territory funded graduates (87 per cent).

In 2018, 90 per cent of students who had completed subjects reported that they were satisfied with the overall quality of training. Unlike graduates, fee-for-service subject completers recorded higher satisfaction rates (92 per cent) compared with government-funded subject completers (80 per cent).⁶³

⁶¹ NCVER 2017, *Employers use and views of the VET System 2017*.

⁶² White, Ian, Navida De Silva and Tony Rittie 2018, *Unaccredited training: why do employers use it and does it meet their needs?* Adelaide: NCVER.

⁶³ NCVER 2018, *VET Student Outcomes 2018*.



International attraction

Internationally, Australia's education system is well regarded and highly attractive to international students. In 2018, the VET sector accounted for approximately 27 per cent of all international student enrolments in Australia, with a total enrolment of approximately 240,000 in VET, an increase of 14 per cent from the preceding year. India (12 per cent), China (9 per cent) and Brazil (8 per cent) are the top three source countries for enrolment in VET in Australia.⁶⁴ Annual growth is likely to continue, with VET enrolments projected to experience the greatest growth from the Philippines and India.⁶⁵ A survey of international students found 82 per cent of those studying in the VET sector indicated that Australia was their first choice for overseas study, with students expressing an overall satisfaction rate of 87 per cent.⁶⁶

⁶⁴ Department of Education and Training 2019, *International Student Data 2018*, Canberra, <https://internationaleducation.gov.au/research/International-Student-Data/Pages/InternationalStudentData2018.aspx>.

⁶⁵ Deloitte Access Economics 2016, *Growth and Opportunity in Australian International Education: A report prepared for Austrade*, Canberra.

⁶⁶ Department of Education and Training 2017, *International Student Survey Results for VET 2016*, Canberra.



2 Leadership of the VET system

The current state of VET

The vocational education sector in Australia is best known as the sector which trains people for jobs. While it encompasses a wide range of responsibilities, including foundation and second chance learning, and a wide range of qualifications and courses, it is the concept of work-based vocational learning that is most readily understood, valued, and articulated by industry and sectoral representatives.

Vocational education is hugely important to Australia's economic and social success. The ability to train people quickly and effectively, and then re-train them when technology and circumstances change, is crucial to ensuring that every Australian is able to participate in a strong and growing economy throughout their working lives.

Work-based learning has many strengths, and stakeholders in the sector are passionate about it. Many, if not most, of those who responded to this Review felt that the Australian vocational sector is currently performing respectably. Notwithstanding many issues of concern, most people are seen to be getting trained effectively and achieving qualifications that help them perform their work.

Many of those who participated in the Review went to some length to communicate that their various criticisms of the VET sector did not add up to a need for a wholesale rebuild of the system. Variations on 'don't throw the baby out with the bathwater' were regularly heard.

The flexibility of the current system, its ability to support students to design their study around their individual needs, the 'hands-on' nature of training and the delivery of job-ready graduates were all positives cited by respondents. The tenor of these comments chimed well with the results of surveys of employers and students.

However, the Review also heard about a number of issues facing the VET sector, and the concerns were largely consistent across the country. People want to see improvements in the processes that govern the system, in the marketing of the system and in access to it.



Main issues in the VET sector

The key issues being experienced in the VET sector by those who participated in the Review can be summarised as follows:

- Continuing variations in quality between providers, and concerns about the relationship between the regulator and providers.
- A cumbersome qualifications system that is slow to respond to changes in industry skills needs.
- A complicated and inconsistent funding system that is hard to understand and navigate, and which is not well matched to skills needs.
- A lack of clear and useful information on vocational careers for prospective new entrants.
- Unclear secondary school pathways into the VET sector and a strong dominance of university pathways.
- Access issues for Aboriginal and Torres Strait Islander Peoples and second chance learners seeking skills that will help them obtain and stay in meaningful work.

This Review has investigated all these issues and they will be addressed in some detail in subsequent chapters of this report. There is, however, a broader issue that needs to be addressed.

Recent experiences of poor provider behaviour, unduly short courses and variability in the quality of training have tarnished the sector's reputation. The fallout from the now closed VET FEE-HELP scheme in particular was regularly raised as an issue during the Review.

On top of that, there are the broader competitive issues that have been brewing for decades. Vocational education has been steadily losing the battle for hearts and minds with the university sector. Fewer young people aspire to undertake vocational education courses. Many consider VET as less prestigious and only for students who are of low academic ability.⁶⁷ The Review's own student survey confirmed that a lower number of students aspire to VET careers.

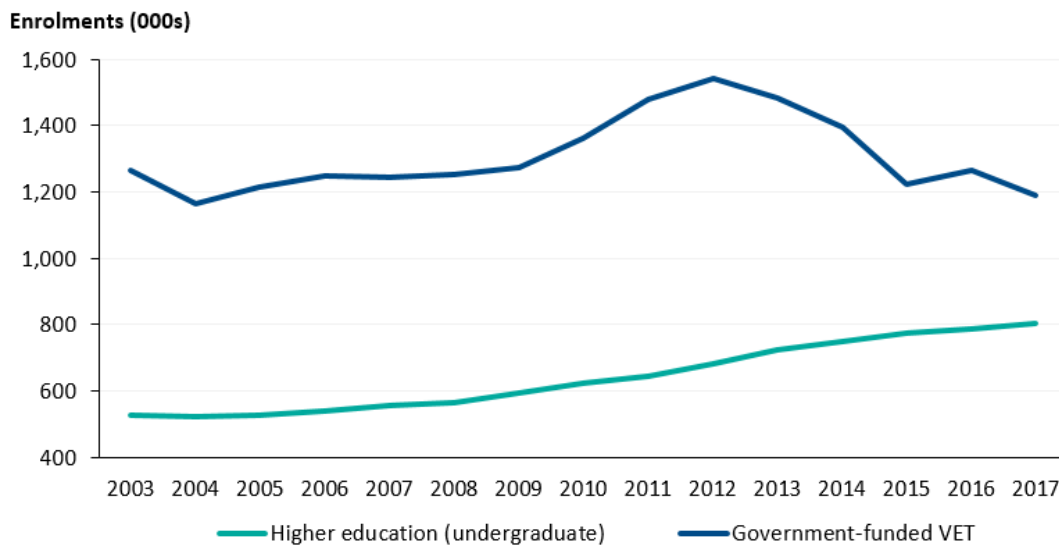
Competition from higher education providers is strong. Universities are offering sub-bachelor qualifications overlapping with qualifications offered in the VET sector. At the same time, increases in the school leaving age mean that more young people remain in school for longer. VET providers, particularly the bigger TAFE providers, are feeling squeezed in the middle.

Figure 2.1 indicates that over the last five years enrolments in higher education have risen while at the same time, government-funded VET enrolments have declined.

⁶⁷ Gore, Jennifer, Hywel Ellis, Leanne Fray, Maxell Smith, Adam Lloyd, Carly Berrigan, Andrew Lyell, Natasha Weaver and Kathryn Holmes 2017, *Choosing VET: investigating the VET aspirations of school students*, Adelaide: NCVER.



Figure 2.1: Government-funded student enrolments by sector, 2003 to 2017⁶⁸



View the text alternative for [Figure 2.1](#).

As we've seen, qualification enrolment numbers are decreasing and employers are reporting less satisfaction with the VET sector. Government-funded enrolments are also decreasing, and some public and private RTOs are struggling to break even.

Employers, trainees, their families, training providers and funders are reducing their reliance on the vocational education system. The Review heard of industries and employers that are no longer using the national system and are focusing on credentialing (private qualifications) instead.

Governments have collectively reduced funding for vocational education. After the turmoil of VET FEE-HELP and traineeship issues together with reduced State and Territory subsidies in recent years, funding for the sector is currently lower in real terms (down 7 per cent)⁶⁹ than what it was nearly a decade ago. Over the same period, total government university funding has gone up by 28 per cent and funding for schools has gone up by 24 per cent.⁷⁰

It is hard to come to any other conclusion than that, while the concept of work-based vocational education is understood and valued, some of the system architecture which is designed to support providers, students, employees and trainees is currently holding them back.

⁶⁸ NCVER, *National VET Provider Collection* (accessed via VOCSTATS); Department of Education and Training 2018, *Selected Higher Education Statistics – 2017 student data* (accessed via uCube).

Note: data for higher education is restricted to domestic students.

⁶⁹ Department of Education and Training, *Annual Reports*; Australian Government, *Final Budget Outcome papers*, 2008–09 to 2016–17; NCVER, *financial information*, 2008 to 2017; Australian Bureau of Statistics 2019, *Consumer Price Index, Australia, December 2018* cat.no. 6401.0; Department of Education and Training, unpublished data.

Note: Time period is 2008–09 to 2016–17.

⁷⁰ Department of Education and Training, *Annual Reports*; Department of Education and Training, *Portfolio Additional Estimates Statements* 2008–09 to 2016–17; Productivity Commission 2019, *Report on Government Services 2019, Part B Chapter 4A School Education*; Department of Education and Training, unpublished data.

Note: Time period is 2008–09 to 2016–17.



Some good work has been done in recent times, particularly in setting up the key elements of an integrated national framework such as the national regulator, ASQA, and nationally-portable qualifications. The Government's creation of a universal student identifier and the new VET Information Strategy have been further steps in the right direction. And the recent reforms to address the past VET FEE-HELP issues have helped restore some confidence.

However, the vocational education system clearly needs a new vision and a new reform plan, to help it improve its reputation and meet Australia's skills needs now and in the future.

A new vision and a new plan

The vocational education sector is hugely important in the Australian workplace and it could be even more important in the future. As the pace of technological change speeds up, the demand for work-based education methods that both train new entrants and update the skills of existing employees will only grow. Similarly, the need for employers to have an independent up-to-date record of the skills possessed by new employees will also increase.

However, for vocational education to meet the significant skills needs in Australia and again become the asset to Australian industry it once was, its systems and processes need a significant upgrade.

First, it needs a strong new commitment from the Commonwealth and the States and Territories as to its importance for meeting Australia's skill needs.

As we have seen, in recent years vocational education has declined in favour of universities. While university education is very important, it is not the only or even the most suitable method in many industries for learning the skills workers need to succeed. And, if nothing else, it would be extremely expensive and inefficient to train all Australians through the university system.

The changing nature of work is likely to make the vocational education system even more important in creating a productive workforce that is flexible and adaptive to change. It is crucial that all governments signal to the sector that they acknowledge its importance and are committed to it meeting a greater proportion of Australia's training requirements.

2.1 The Commonwealth and the States and Territories to agree a new vision for the VET sector that places work-based learning at the forefront of Australian skills development.

This new vision and strategy needs to position VET as a modern, fast-paced alternative to classroom-based education. It needs to enhance its reputation as a trusted, dynamic and adaptive sector that can deliver Australia's skills needs, now and in the future.



There needs to be a shared vision for VET that is endorsed by governments and stakeholders, and is publicly available. It should make clear the expected role for VET, including the roles and responsibilities of all participants in the system.

The vision should be supported by a detailed strategic plan that is updated regularly by ministers.

A six point plan to fix the system's issues

There has been considerable effort made over recent decades by governments to improve the VET system. The introduction of national qualifications, a national regulator and a universal student identifier are all important steps forward but they are not sufficient on their own to ensure the success of the VET system.

This Review proposes a six point plan and a roadmap to lift confidence in the governance and oversight of vocational education and encourage the sector to grow. The plan addresses the current pressures and inefficiencies in the sector's systems and processes, and will allow vocational training providers to perform their roles more effectively.

The proposed changes will strengthen industry's role at the heart of the system so relevant skills are developed through quality teaching and experience in workplaces. Through it, Australians will use VET as their direct path into the labour market – whether for their first job, for career progression, for transition to new industries or to create their own business.

2.2 The Commonwealth and the States and Territories adopt a six point plan to improve the architecture of the vocational education system and grow its contribution to training Australians, including:

- strengthening quality assurance,
- speeding up qualification development,
- simpler funding and skills matching,
- better careers information,
- clearer secondary school pathways, and
- greater access for disadvantaged Australians.

This Review does not call for a 'Commonwealth takeover' of the VET system. Such an approach has been discussed previously, and some stakeholders argued for it in this Review. While a Commonwealth-led and funded approach has made for a simpler university system, it would likely reduce the flexibility of the vocational education system to respond to the needs of each State's local economy beyond what was acceptable to the States and Territories or to industry.

The Review does, however, agree with many stakeholders that the current NASWD leaves the division of roles and responsibilities between the Commonwealth and the States and Territories loosely defined and that reduces accountability. This directly contributes to the system's problems. The Review makes a number of recommendations to clarify those responsibilities to ensure a nationally coherent vocational education system with sufficient flexibility to respond to local needs.



A clearer definition of VET

The current definition of the VET sector is very broad. When people talk about 4.2 million Australians participating in vocational training each year, they are not actually talking about work-based training that leads to a qualification.

As we saw in Chapter 1, more than half of those people are in fact being trained in short courses such as first aid and Responsible Service of Alcohol, often for regulatory reasons. Around 43 per cent are actually being trained in vocational AQF qualifications. Of these, about 80 per cent are in institutional VET qualifications⁷¹ and around 20 per cent in formal apprenticeships and traineeships.⁷²

Many people use various definitions of VET interchangeably. This adds to the complexity of the sector and makes it hard to accurately measure performance over the whole sector and across different parts of it.

The flexibility and variety in VET are strengths but also a weakness. The differences between a 'hobby course', a professional development course, literacy and numeracy training, workplace tickets or licences, single units of competency, full VET qualifications and higher education are blurred and frequently misunderstood.

Sometimes VET is associated with quite narrow interpretations such as only being traditional trade apprenticeships or only public TAFE institutes. It is often not associated with para-professional jobs in health care or high-tech industries driving the modern workforce. This has obscured the role of VET as a main training pathway for a number of careers.

There is a disconnect between formal definitions of VET and what is happening on the ground. While there exists a relatively formal definition of VET as defined by the NVETR Act,⁷³ governments currently bundle foundation skills including language, literacy and numeracy courses and some non-accredited, industry-specific training delivered by RTOs, under the umbrella of VET for funding purposes.

The Review recognises that the sector has evolved to deliver training outside its original remit and does not propose to unwind that. However, it is important to define VET in a way that cuts through the complexity of the system and boosts VET's reputation as well as confidence in its qualifications.

The Review considers that there is a need to critically examine the breadth and width of VET functions and classify the distinct 'streams' of VET. This will demystify the sector for outsiders, allowing them to identify where and how they can gain their first qualification, upskill or re-skill. Governments will be able to clearly target incentives and adjust policy settings in one stream without distorting or affecting other areas of VET.

⁷¹ Excludes formal apprenticeships and traineeships.

⁷² NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).

⁷³ The *National Vocational Education and Training Regulator Act 2011* defines VET as covering all National Recognised Training including, accredited courses, training packages, qualifications, units of competency and skillsets being delivered by training organisations that are registered by the National VET Regulator (Australian Skills Quality Authority) as a Registered Training Organisation.



Breaking down the VET umbrella into streams will improve monitoring of the system, allowing for the creation of new performance measures that better align to the intended purpose of each part of the VET system. This will support the identification and regulation of underperforming RTOs, while rewarding strong performers.

- 2.3 The Commonwealth and the States and Territories agree new names and descriptions for each part of the vocational education sector, to be used to measure the performance of each distinct stream of provision:
- qualification-based training that leads to vocational careers (including courses and skillsets),
 - short courses,
 - foundation education (lower level courses for language, literacy, numeracy and digital literacy), and
 - VET in schools.

Each stream should have specific performance criteria. For example, the foundation education stream would be measured on how it improves language, literacy, numeracy and digital literacy. Funding (where it is provided) can then be applied accordingly.

It is proposed that VET in schools be in its own category because the system currently finds it hard to measure exactly what is being delivered across the country in schools. This subject is addressed further in Chapter 7. Once VET in schools is more clearly measured it may be counted either as full qualification training or as foundation education (as in pre-trades), for example.

Qualification-based vocational education

The qualification-based training stream would be the part of VET that is specifically delivering workplace training and qualifications. It would also meet international definitions of vocational education and training.

This component should be elevated as the primary stream of VET to re-establish the clear link between vocational education and employment. It is also the stream of VET than can be most compared with the university sector, which is important for determining the relative performance of the two sectors.

That comparison should be made clearly and regularly.

Over time, government funding support for students should be neutral as to whether enrolment at a particular AQF level takes place in a university or work-based learning environment. Funding support for students should include the tuition subsidy and/or income-contingent loan programs.

- 2.4 The Commonwealth and the States and Territories commit over time to reducing the differential in the level of student funding support at a particular Australian Qualification Framework level between qualification-based vocational education and university education.



Mandating work experience

There is an expectation that VET students are 'work ready' when they graduate. The most direct way to achieve this is to incorporate work-based training in qualifications.

There is also an implicit expectation in the vocational education brand that it involves work experience. Currently, however, only 20 per cent of qualification-based vocational students undertake a traineeship or apprenticeship.⁷⁴ The other 80 per cent is institution-based, with only some undertaking true work experience, although the high number of people employed while training will include many who are gaining work-based experience.

The OECD has proposed that modern vocational educational and training include a significant work-based component.⁷⁵ As a competency-based training system, vocational training should at least be providing evidence that students can demonstrate the skills they learn in a workplace setting.

Given the close linkages between VET and industry, incorporating more work-based training would allow students to develop the experience and competencies expected by employers, as well as making the sector more attractive and unique. This would give employers a greater role and ownership of the training being delivered and make sure it is relevant for today's jobs.

The Review therefore recommends that, over time, work-based learning be incorporated into all government-funded vocational qualifications. However, as this would be a significant change it therefore should be set as a long-term goal for the system.

- 2.5 To ensure the strength and uniqueness of the vocational education system, the Commonwealth and the States and Territories should set a long-term goal that all funded qualification-based vocational education should include formal work-based elements.

A new brand and a new focus for vocational education

Serious consideration needs to be given to applying a new overall brand to vocational education at the same time as upgrading the architecture of the VET system.

As we have seen, there has been damage caused to VET's reputation in recent years. Consideration needs to be given to re-branding the system to signify the changes that are occurring and encourage learners, their families and school teachers to re-rate vocational education away from being a second choice to university study.

⁷⁴ NCVER 2018, *National VET Provider Collection* (accessed via VOCSTATS).

⁷⁵ Martin, John P 2018, *Skills for the 21st Century: Findings and Policy Lessons from the OECD Survey of Adult Skills*, OECD Education Working Paper No. 166, Paris: OECD.



As things stand, the Review has learnt that the term VET or vocational education means different things to different people. Some people were unaware that they had participated in VET or even had a VET qualification. Even the term VET was confusing, with a few responses to the Review addressing issues related to veterinary science or defence veterans.

On the other hand, some people only relate VET to public TAFEs or what is generally considered a traditional trade apprenticeship. Others refer to TAFEs in a generic way, interchangeable with the term vocational education as in, 'are you going to a private TAFE or a public one?'

The Review therefore considers it appropriate to make a brand change to help bring new impetus to the sector. Terms like 'Professional Education', 'Technical Education', 'Technology Education', and 'Industry Education' are all used internationally to describe work-based learning towards established qualifications. On balance, the Review recommends 'Skills Education' for Australia which can be abbreviated to 'Skills Ed', but this should be suitably market-tested along with other alternatives before any change is made.

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| 2.6 | The Commonwealth and the States and Territories re-brand the overall VET sector to an alternative such as 'Skills Education' in conjunction with the system changes proposed in this Review, and market the sector as a modern, fast-paced skills acquisition alternative to institution-based learning in a university environment. |
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At the same time, the sector needs to be more active in emerging skills areas in order to be seen as a more modern method of education. Timely qualification upgrades in more traditional trades and skills will help the sector's reputation, but there are huge opportunities in industries such as digital technologies and human services for vocational training to fill workforce gaps, particularly at higher levels (for example, diploma and AQF levels 5 and 6).

Consideration needs to be given to a significant investment in qualifications development and funding in areas such as these, to help with the re-branding and marketing of the modern 'Skills Education' sector.

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| 2.7 | The VET sector be funded by the Commonwealth to develop strong and successful qualification pathways in growing employment areas such as digital technologies and human services, including higher-level diplomas and apprenticeships at levels 5 and 6 on the Australian Qualifications Framework. |
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3 Strengthening quality assurance

Variable quality and concerns about regulatory practice

Quality assurance is one of the parts of the VET system architecture that needs an upgrade. While much has already been done in this area, there remains more to do. Past problems with provider quality have caused some of the most serious reputational and confidence issues in vocational education.

Variation in the quality of provision between providers was one of the biggest concerns raised by participants in this Review. While those concerns were undoubtedly and significantly coloured by unscrupulous behaviour in the now closed VET FEE-HELP scheme, it is clear some issues are more current.

Many providers and employer representatives spoken with by the Review team were concerned about the continuing presence of what they called 'tick and flick' providers. These providers encourage people to complete qualifications in a much shorter time than is standard (for example completing what is generally acknowledged as a six month course over a three day weekend). It was argued that the presence of even a few such rogue providers gave the sector a continuing bad name.

Some employer groups and RTOs noted that it could be superficially attractive to students to be able to obtain a qualification in a fraction of the time, but graduates would discover too late they have paid for a qualification that may not be valued or possibly even accepted by employers. A number of employers cited the presence of 'tick and flick' providers as eroding their confidence in vocational education, because of fear of being duped by such a provider.

At the heart of such issues is the challenge of ensuring 'competency' in a particular skill. In order to be deemed competent in the Australian vocational education system, individuals are expected to demonstrate a consistent application of knowledge and skill to the standard of performance required in the workplace, and to demonstrate an ability to transfer and apply skills and knowledge to new situations and environments.

However, the model describes competency without reference to any benchmark level of time that may be expected to achieve such competency. It can be argued this provides a loophole for providers to assert competency when someone has acquired a relatively superficial level of understanding of a topic, with the resulting qualification not differentiating that graduate from someone who has a deeper and more thorough understanding of the skill and can demonstrate the application of the skill.

It is important to point out that concern about poor providers is now perceived as a few bad apples ruining it for everyone else, and damaging the reputation of the sector as a result. While a few submitters to the Review believed that 'all private providers are bad and should be banned', most agreed that most providers, public and private, are doing a reasonable and professional job of training their students.



NCVER survey results indicate that the Australian VET system generally provides high-quality training to its students. In 2017, a survey of employers found 75 per cent of employers with vocational qualifications as a job requirement were satisfied that these qualifications provide employees with the skills they need for the job. Additionally, 78 per cent of employers with apprentices or trainees were satisfied that students were obtaining skills they need from training, and 83 per cent of employers using nationally recognised training were satisfied that this training provides employees with the skills they need for the job.⁷⁶

At the same time as hearing concerns about rogue providers, the Review also heard frustration with ASQA from a range of RTOs.

ASQA has responsibility for regulating and auditing most providers in Australia. Many providers, both public and private, had concerns about the way ASQA currently conducts its audits. These included concerns with the inexperience of some auditors and in particular what they saw as an excessive focus on minor issues that did not impact on the quality of teaching and learning. They were also critical of variability between the treatment of providers by different auditors and a lack of positive guidance from the regulator.

While there was general acceptance of the need for a robust national regulator, particularly after the damage caused to the reputation of the vocational education sector during the VET FEE-HELP scheme, there was a strong sense that the approach the regulator is taking to its role is causing its own problems. Most concerningly, industries and RTOs in a number of jurisdictions, particularly smaller ones with thin training markets, cited examples of good long-term smaller providers leaving the sector because of the perceived risks and compliance costs associated with the way the ASQA regulatory regime is currently being implemented.

The sheer numbers of audits required of providers operating in the government-funded portion of the vocational sector adds to concerns about compliance costs. RTOs report having to deal with sometimes up to five separate audit regimes once state funding authorities, Commonwealth funding authorities (often more than one), and professional licensing bodies were all included.

The Australian Skills Quality Authority

ASQA is a relatively new regulator. It was established on 1 July 2011 under the NVETR Act. ASQA monitors RTO compliance against the requirements of the NVETR Act and its VET Quality Framework.⁷⁷ Its primary functions are to oversee the entry of RTOs into the market, accredit courses, carry out compliance audits and penalise non-compliance, including cancelling the registration of poor providers.⁷⁸

⁷⁶ NCVER 2017, *Employers use and views of the VET System 2017*.

⁷⁷ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*.

⁷⁸ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*.



ASQA regulates RTOs operating within States and Territories that have referred their regulation powers, which is all States and Territories except Victoria and Western Australia. It also regulates providers in non-referring States that operate across state boundaries, and providers in these States that offer courses to overseas students, both onshore and offshore.⁷⁹ Across Australia, ASQA regulates over 4000 RTOs, while in 2018 the Victorian Registration and Qualification Authority regulated 228 providers⁸⁰ and the Western Australia Training Accreditation Council regulated 224 providers.⁸¹

The size of the market ASQA oversees is significant, and in the early stages of its operation it focused on applications for registration and removing unscrupulous, low-quality or inadequate providers. Over time ASQA has sought to improve its audit practices. In 2016 it developed a new student-centred audit approach that focuses on RTO practices and behaviours during the key phases of the student experience: marketing and recruitment, enrolment, support and progression, training and assessment, and completion.⁸² This move towards a risk-based model from the prior process-based approach was well received by stakeholders at the time.⁸³

ASQA operates under a partial cost recovery funding model where fees and charges are placed on different regulated entities, including on RTOs and VET accredited course owners to fund ASQA's operations.⁸⁴ It is the Government's intention (Budget 2018–19) that ASQA will transition to a full cost recovery model by 2020–21.⁸⁵

ASQA was allocated an additional \$18.6 million of Commonwealth Government resourcing in the 2018–19 Budget, to be spent over the next four years. ASQA reports it will use this resourcing to 'increase its audit activity and enhance its regulatory scrutiny on high-growth areas... [it] will also contribute to managing reviews of ASQA's regulatory decisions requested by registered training organisations'. The new resourcing will expand ASQA's average staffing level from 184 to 199 people.⁸⁶

⁷⁹ ASQA website, *Jurisdiction*, last accessed 13 March 2019, <https://www.asqa.gov.au/about/agency-overview/jurisdiction>.

⁸⁰ Victorian Registration and Qualifications Authority 2018, *Victoria's Education and Training Regulator Annual Report 2017–18*, Melbourne: Victorian Government, p 14.

⁸¹ Government of Western Australia 2018, *Training Accreditation Council Annual Report 2017–18*, Perth: Government of Western Australia, p 17.

⁸² ASQA website, *ASQA's student-centred audit approach*, last accessed 13 March 2019, <https://www.asqa.gov.au/news-publications/publications/fact-sheets/asqas-student-centred-audit-approach>.

⁸³ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*, p 7.

⁸⁴ Australian Skills Quality Authority 2018, *Cost recovery implementation statement: Regulation of the vocational education and training (VET) sector 2018–19*, Australian Government, p 4.

⁸⁵ ASQA website, *Fees and charges*, last accessed 13 March 2019, <https://www.asqa.gov.au/about/fees-and-charges#what-is-cost-recovery>.

⁸⁶ Australian Skills Quality Authority 2018, *Annual Report 2017–18*, Australian Government, p 2-3.



Victorian and Western Australian regulators operate in a similar way to ASQA and the three regulators meet regularly and share information. Technically, however, they operate under their own legislation and standards, which are not identical to the national system.⁸⁷ The audit approaches have some differences from ASQA, partly due to the size and nature of the markets, and hence providers have greater familiarity with the personnel at the State regulators.

The Braithwaite report

The Commonwealth has recently overseen a scheduled review of the NVETR Act, which began six years after the Act commenced and ASQA was established.

Professor Valerie Braithwaite released her report, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011* in January 2018. The NVETR Act review contained 23 recommendations.

The Commonwealth released its response to the review on 22 June 2018. It supported nine recommendations from the report to progress, and a further 11 recommendations in principle.

Rather than repeat the work of Professor Braithwaite, this Review has read her report carefully, and considered its conclusions in the context of its own submissions and consultations. The Review has chosen to underline some of her conclusions in this report, and these are noted in this chapter.

ASQA needs to take an educative approach

Most of those submitting to the Review and attending in-person consultations remained supportive in principle of ASQA as the national regulator for the VET sector, although the currently non-referring States seem in no hurry to refer their powers to ASQA.

It is the view of the Review that operating a single consistent national regulator is important for improving the reputation of, and confidence in, the vocational education sector. Students and employers should be able to expect all RTOs meet the same standards across Australia, and RTOs should be confident they are all held to the same national standard. We see no advantage in moving away from that.

⁸⁷ ASQA and the Western Australia Training Accreditation Council (WA TAC) audit against the *Standards for Registered Training Organisations (RTOs) 2015*, whereas the Victorian Registration and Qualifications Authority (VRQA) audits against the *Australian Quality Training Framework (AQTF) Essential Conditions and Standards for Continuing Registration* and the *VRQA Guidelines for VET Providers*. In terms of legislation, WA TAC operates within the *Vocational Education and Training Act 1996* and the *Vocational Education and Training (General) Regulations 2009*; the VRQA was established under the *Education and Training Reform Act 2006*, with reforms to its regulations in 2013 and 2017; and ASQA was established under the *National Vocational Education and Training Regulator Act 2011*.



- 3.1 The Commonwealth and the States and Territories to confirm their support for the Australian Skills Quality Authority as the single national regulator to provide consistent quality assurance to the vocational education sector. Once the further recommendations about quality assurance and qualifications made in this report are implemented, non-referring States should again consider referring their powers to the Australian Skills Quality Authority.

However, the Review is concerned about the quite surprising high levels of disquiet in the provider community about the way ASQA currently conducts its regulatory activity. There is always some tension to be expected between the regulator and the regulated, but it is apparent the issues expressed in this case go beyond that sort of healthy tension. The disquiet was also picked up by Professor Braithwaite in her review of the NVETR Act.⁸⁸

Many providers worry whether ASQA will treat them fairly and reasonably during the audit process. They have little understanding of the approach ASQA will take when it comes time for their next audit.

Some of these worries appear to boil down to a lack of information and guidance. The Review heard that there was limited proactive engagement and guidance by ASQA and this left RTOs confused and worried about meeting requirements. Although ASQA's regulatory standards are publicly available and the organisation engages with the sector through regular newsletters, providers said the standards were difficult to understand and difficult to act on.

This lack of information is not surprising. ASQA made it clear to the Review that it does not see its role as providing additional guidance and education to RTOs on its auditing process and compliance. It sees itself as purely a regulator, and doesn't believe it is funded to perform guidance and education functions.

This Review takes a different view. It is crucially important that guidance is provided by regulators to the regulated. A measure of a good regulator is not so much who it catches out as ensuring that the whole regulated community is operating confidently and effectively within the regulations set by the governing jurisdiction. Viewed in that way, the provision of guidance and advice is a crucial part of the role.

RTOs need to develop a strong familiarity with ASQA's auditing processes to ensure that they are not sanctioned for non-compliance through misunderstanding the requirements. In her report, Professor Braithwaite noted, '...often failure to comply in such systems is not the result of unwillingness, but rather being overwhelmed with the enormity of the task of compliance.'⁸⁹

⁸⁸ Professor Braithwaite identified a number of concerns, including 'the compliance burden on RTOs, the inconsistency of audits and auditors, the difficulty in making sense of ASQA's regulatory approach, and a disconnect from what RTOs considered important for regulation of the sector... [in short that] the sector's anxieties are increased by a lack of supportive regulatory conversations.'

Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*, p 8.

⁸⁹ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011*, p 51.



- 3.2 The Australian Skills Quality Authority to provide more information and guidance to Registered Training Organisations as to how it conducts its regulatory activities in order to improve ongoing understanding of and compliance with the Australian Skills Quality Authority requirements, and to reduce the cost and compliance burden to Registered Training Organisations.

At the time of the Review, ASQA was undertaking public consultation to help it better engage stakeholders in its regulatory practices, and to discern how it can best recognise and support improvement, building on Professor Braithwaite's recommendations.⁹⁰

A simple place to start would be the publication of all completed audits and compliance notices so that providers can actually see where ASQA is drawing the lines. ASQA does not currently publish the outcomes of its audits for providers, funding bodies or any other interested parties to access. Professor Braithwaite recommended that ASQA be required under the NVETR Act to publicly release all of its audit reports to better educate providers.⁹¹ The present Review considers this essential to provide increased transparency and accountability, and to better inform providers about the standards and requirements of an ASQA audit process.

- 3.3 The Australian Skills Quality Authority be required to publicly release all concluded audit reports to ensure all Registered Training Organisations can be fully informed about the regulator's activities (as per recommendation 15 of the review of the *National Vocational Education and Training Regulator Act 2011*). This recommendation should be implemented immediately.

It is important that ASQA be adequately resourced to perform the guidance and educative role and to perform its role more generally. In many jurisdictions there is an understood difference between parts of the regulator's activity that should be directly funded by the regulated through cost recovery arrangements versus what are broader activities for the 'public good', and should therefore be government funded.

There are clear activities where ASQA's costs can be passed onto the sector as part of the existing cost recovery arrangements. However, there is a range of activities that should be performed by ASQA that exceed the direct regulatory function and move into a policy assessment or system supervisory role including broad education and guidance. In the opinion of the Review, this broader range of activities should be directly funded by the government. These activities are part of ASQA's broader responsibilities in delivering a well-regulated and quality training sector as a benefit to wider Australian society.

⁹⁰ ASQA website, *Latest News*, last accessed 13 March 2019, <https://www.asqa.gov.au/news-publications/news/invitation-participate-consultation>.

⁹¹ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*, p 79.



- 3.4 The Commonwealth to consider whether the Australian Skills Quality Authority should be specifically resourced to provide broad education and guidance to the VET sector, and to engage more proactively and positively with providers to build trust and understanding between the regulator and the regulated.

A focus on risk in regulation is different to identifying and encouraging quality. Encouraging quality is not a current feature of the Australian system and so would take time to develop. The New Zealand Qualifications Authority (NZQA) operates an external evaluation and review process that assesses the quality of providers, including polytechnics, private training establishments and government training establishments. The process produces statements of confidence on providers' educational performance and organisational self-assessment. There are four categories ranging from a Highly Confident judgement to a Not Confident judgement. NZQA publishes the category of each provider on its website alongside the review report. This system increases the level of scrutiny faced by providers and, as a result, is a key driver for providers improving the quality of their offerings and management.⁹²

If applied in the Australian context, this rating system would identify and publicly praise high performing providers, and would play a powerful role in encouraging poorly performing providers to improve. In time, the rating system could be used to decide which providers receive government funding, in terms of both tuition subsidies and trainee support.

- 3.5 In the longer term, the Australian Skills Quality Authority to expand its auditing role to ranking providers on the quality of their educational offering and their management, in a similar vein to the New Zealand system, and work with Commonwealth and State and Territory funders to encourage high quality providers.

In discussions, ASQA representatives advised that one of their most resource-intensive roles is registering new providers. They stressed that having a low hurdle for registration was a weak point in the regulatory system, providing a low entry bar to high-risk and likely low-quality providers. Professor Braithwaite addressed this at some length in her review and this Review also agrees with ASQA's concerns.

Work to further explore and implement the NVETR Act review's recommendations is currently underway in the Department of Education and Training. This Review considers that work on three of Professor Braithwaite's recommendations should be fast-tracked for immediate implementation, to improve RTO entry-to-market standards. These changes will significantly help lift the quality of the system and help ASQA perform its role.

⁹² New Zealand Qualifications Authority (NZQA) Website, *Provider categories*, last accessed 14 March 2019, <https://www.nzqa.govt.nz/providers-partners/approval-accreditation-and-registration/provider-categories/provider-categories-eer/>.



- 3.6 That the Australian Skills Quality Authority urgently be given the new powers recommended by the review of the *National Vocational Education and Training Regulator Act 2011* to better control the registration of Registered Training Organisations specifically:
- knowledge of and commitment to education (recommendation 4),
 - the fit and proper person test (recommendation 5), and
 - the requirement to provide training (recommendation 6).

It is not simply the job of providers to better understand ASQA's audit processes; it is also important for ASQA to seek improvement of its own processes and communications. In 2017–18, ASQA sought feedback from RTOs through roundtable meetings, industry engagement, communication protocols and consultation on its Cost Recovery Implementation Statement.⁹³ At that time, ASQA undertook a survey of the quality of its engagement with the regulated community, in which 69 per cent of providers rated ASQA's engagement as 'excellent' or 'good'. This was slightly below ASQA's target of a 70 per cent satisfaction level.⁹⁴

These results are significantly at odds with those of many of the providers who interacted with this Review and do not reflect the concerns articulated by Professor Braithwaite.⁹⁵ One possible reason for the difference is providers could be being less than frank with their regulator.

It may be easier to obtain more objective feedback if providers are offered a process whereby they can provide their views on ASQA's performance in a guaranteed independent format. It is important for that to occur – so ASQA and the Commonwealth can see the continuing evolution of ASQA into a transparent trusted regulator of the sector. The Review therefore proposes that the Department of Education and Training, as the policy department, is the logical agency to manage annual independent surveys of ASQA's performance.

- 3.7 The Department of Education and Training to manage annual independent surveys of the Registered Training Organisation community in order to assess the Australian Skills Quality Authority's performance and the performance of its auditors in the eyes of those it regulates.

⁹³ Australian Skills Quality Authority, 2018, *Self-Assessment Report against the Regulator Performance Framework 2018*, Australian Government, p 5-6.

⁹⁴ Australian Skills Quality Authority, 2018, *Self-Assessment Report against the Regulator Performance Framework 2018*, Australian Government, p 6-7.

⁹⁵ See footnote 88 for information on concerns raised in Braithwaite's report.



The Review heard a great deal about the heavy compliance burden on providers associated with the multiple audits required of them. ASQA and the two remaining State regulators meet regularly to discuss common issues and to streamline their practices. However, as well as being audited by ASQA (or the State regulator in Victoria or Western Australia), training providers are often audited separately by their State or Territory training authorities under their funding arrangements, as well as by the Commonwealth in relation to student loans. If a provider operates in more than one State or Territory, their audits can multiply rapidly. Providers noted that different rules relating to access to funding, plus different penalties and fees for non-compliance, made it difficult to harmonise reporting and be compliant with funding guidelines.

A formal program of simplification and information sharing between the regulators and the Commonwealth, State and Territory funders would be hugely beneficial for providers. If combined with the provider ranking approach recommended above (Recommendation 3.5), these reforms would improve efficiency across the sector and provide information that State and Territory funders could use to determine which providers receive priority funding.

- 3.8 The COAG Industry and Skills Council mandate an immediate and ongoing agenda to reduce any duplication and minimise reporting burdens for all Registered Training Organisations by negotiating common audit standards and information sharing between the quality assurance regulators and Commonwealth and State and Territory funders.

Preventing unduly short courses

During consultations the Review was made aware of significant support for Australia's competency-based system of VET. Many countries, including the United Kingdom, France, Canada and Germany, use some form of competency-based training, but how they determine and assess competencies varies across systems. In Australia, competency in VET is considered on an industry-by-industry basis and assessed against specific forms of evidence identified in a training package.

The quality standards for RTOs define competency as:

...the consistent application of knowledge and skill to the standard of performance required in the workplace. It embodies the ability to transfer and apply skills and knowledge to new situations and environments.⁹⁶

Many participants talked positively about the mix of flexibility and national consistency possible in a competency-based system. They liked that training can be delivered to individuals in a way that acknowledges their experience and knowledge. The same unit of competency can be delivered quickly to a person with extensive relevant industry experience or over an extended period for a beginner.

⁹⁶ Federal Register of Legislation, *Standards for Registered Training Organisations (RTOs) 2015*, <https://www.legislation.gov.au/Details/F2017C00663>.



Further, units of competency can be assembled to create programs of training that meet the specific needs of employers or industry while the competencies themselves are consistent across Australia.

From an industry perspective, the competency-based system avoids unnecessary delays in training people and the provision of unnecessary training. This can be illustrated by comparison with the higher education sector, where qualifications are defined in set numbers of years and the curriculum is determined by the provider.

However, the risk in a competency-based system is that with no length of training mandated, the training provided to an individual might be insufficient for them to truly achieve the designated competency.

A successful competency-based training system depends heavily on the assessment process. This involves the observation and judgement that an individual can perform the competencies as described in the training package. As participants in the Review observed, it is the assessment that a person has gained the competency that matters rather than how long they spent to get it. For this reason, assessment has been called the gatekeeper in the competency-based system.

Problems occur when so-called 'tick-and-flick' providers run very short courses on a qualification, and then assess students as competent provided they can recall the information, despite those students not truly meeting the definition of competency.

These concerns go to the heart of confidence of the Australian VET system and its quality assurance. When students graduate and receive a qualification without being properly trained for it, the reputation of the whole sector is placed at risk with employers, trainees and the public.

Participants in the Review indicated the prevalence of 'tick and flick' providers has decreased, but that they still provided a reputational risk to the industry. They have previously been the subject of an ASQA strategic review of unduly short courses, which identified areas for improvement.

ASQA is responsible for dealing with poor provider behaviour but its reference point for assessing provider performance is the delivery of training in accordance with the training packages. ASQA can determine if the provider has materials covering each of the required competencies, but there is no point of reference to determine if the amount of training provided using those materials was enough to develop competency.

Using hours as a measure of training

The Australian vocational qualification system's reliance on an assessment of competencies without reference to the time students have spent on their training is not absolute. Learning hours and other time-based measures of training are often re-introduced into the system to deal with some problematic aspects of the competency model.



Funding of training must, of course, be based on something, and it is generally based on the providers' chief inputs (the time taken to train a person). The Victorian Government's 'nominal hours' is used widely by the States and Territories for funding and reporting purposes. While this primarily is to determine a unit that funding can be attached to, there were indications that the nominal hours feature in State and Territory contract systems is a measure to judge whether providers were delivering the right 'amount' of training.

Many training packages also specify a set number of hours of work placement. This occurs particularly in the health and community services areas. Completion of the set hours within a workplace context is a requirement for registration in the relevant occupation. Similarly, a number of governments or licensing bodies set a minimum number hours of training as part of meeting the licensing requirements.

Some qualification developers and IRCs use a 'points' system to determine the relative weight of certain competencies in relation to students' progression through award classifications, for example the Manufacturing training package. While this is used to ensure apprentices and trainees are paid at the correct award rate, it can also be an indicator of a student's volume of learning.

ASQA's review of unduly short courses recommended the use of a volume of training measure for high risk courses. Some stakeholders, however, were reluctant to set mandatory requirements because they would 'undermine' the competency-based system. This is despite governments almost universally using 'nominal hours' in a funding context. The Review accepts that setting mandatory amounts of training could undermine the flexibility of the competency-based system. We propose instead identifying benchmark hours of training for a qualification for use by ASQA and other regulators in assessing whether the amount of training is adequate.

The benchmark hours should be set at the average amount of training required for a new learner with no experience in the industry to develop the required competency.⁹⁷ A new learner can be thought of as a person entering the industry who has never held a job in the relevant occupation. The benchmark hours would need to be consistent with the 'amount of training' framework in the RTO standards.

Once benchmark hours for a competency are specified, ASQA could use them to assess how much training was delivered by a provider and whether the variation from the benchmark was reasonable given the circumstances. An unreasonable variation might not be cause for sanctioning a provider on its own, but it could be a trigger for a more in-depth investigation.

⁹⁷ Different new learners will develop competencies at different paces but the range from the average is unlikely to be large compared to a new learner versus a person with work experience in the relevant occupation.



3.9 Benchmark hours should be specified in qualifications by qualification developers as a guide to the average amount of training required for a new learner with no experience in the industry to develop the required competencies in the qualification.

Benchmark hours should be developed for Australian Skills Quality Authority designated 'high-risk' qualifications first and then progressively introduced. They can be used by the Australian Skills Quality Authority and other quality assurance regulators as a guide to assist in determining whether delivery times in courses and qualifications are of a reasonable length.

The Review acknowledges averaging is required in moving to any specification of hours of training but the evidence suggests the competency-based system needs to be better anchored to a simpler measure that can be used to help determine the quality of training.

It is important that industry has a strong role in determining the benchmark number of hours for each unit of competency. The role of industry in qualification development is discussed in Chapter 4.

Improving assessment

The other important step that needs to be taken in improving quality is to improve assessment. The consequences of poor-quality assessment are serious, as the Training and Assessment Working Group noted:

*An incompetent graduate that is deemed competent could have a negative impact on employers and the workplace or seriously affect public safety, including through endangering individuals or the community.*⁹⁸

Poor quality assessment can come about for a range of reasons. The Review heard that sometimes an RTO may deem students who do not have the appropriate skills as competent in order to gain access to funding without incurring costs. The experience of VET FEE-HELP shows there are providers that will, if not well regulated, game the system in this way. During the transfer of students following the closure of VET FEE-HELP providers, the accepting providers found many students could not demonstrate the competencies ascribed to them.

For some providers and their trainers, a lack of capability, outdated industry knowledge or simply time can lead to the assessment process being inadequate. The previous issues with poor delivery and assessment of the Certificate IV in Training and Assessment (TAE) to VET trainers undoubtedly contributed to these problems.

⁹⁸ The Department of Education and Training 2016, *Quality of assessment in vocational education and training – Discussion Paper January 2016*, Canberra: Australian Government, p 4.



Some industries overcome assessment concerns through the independent validation of a person's competencies at the end of the course. This can be through a capstone assessment or through independent licensing requirements, such as the electrical and plumbing licensing systems. While there are a number of industries using independent validation of assessment outcomes, most of VET is not currently independently assessed.⁹⁹

Victoria has committed four years' funding for an independent assessment pilot that will work with interested industries to develop a model whereby industry can design the assessment to ensure graduates have the skills they want. It is intended that the independent assessment approach will improve employers' confidence in the quality of VET graduates.

The Review also found that the best international systems have end-of-program independent assessment. For instance, Germany, a nation with a strong international reputation for producing high quality graduates, involves its industry players and chambers of commerce in quality assurance through independent assessment. When apprentices complete their training, they are required to complete examinations set by these bodies before they can be awarded a certificate that certifies their successful completion of the apprenticeship and their possession of employability skills.¹⁰⁰

The use of benchmark hours will go a long way to improving the quality of delivery of VET. A complement to this step is to examine rolling out independent validation of assessment more widely. The widespread use of independent assessment would also assist with recognition of prior learning.

The Commonwealth should work with the Victorian Government and other States and Territories to expand the pilot and examine options to build this into the VET system. The National Skills Commission (NSC - described in Chapter 5), would advise on appropriate funding arrangements for assessors.

3.10 The Commonwealth should work with the States and Territories to pilot independent assessment validation schemes. The National Skills Commission should investigate how funding should be split between providers and independent assessors if these functions were separated into different entities.

In a future state, independent validation of assessment could be performed through the Skills Organisations (SOs), described later in the report. This would bring industry strongly into the assessment process.

⁹⁹ Victorian Skills Commissioner 2017, *Rebalance and Relaunch: Supporting Victoria's economy by enhancing apprenticeship and traineeship pathways as a mechanism for skilling the future workforce*, Victoria: Victoria State Government, p 11.

¹⁰⁰ Federal Institute for Vocational Education and Training (Germany) website, *The dual system in the German VET system*, last accessed 14 March 2019, <https://www.bibb.de/en/77203.php>.



Independent validation of assessment also has an important role in regulating the system. The Review considers that verifying assessment falls within the broad remit of ASQA's responsibilities. It is recommended that the Government confirm whether independent validation of assessment falls within ASQA's remit and, if not, that this power is granted to ASQA as a matter of priority. ASQA should use this power when it has identified a provider with a sufficient number of red flags during an audit to warrant further investigation. While often costly, re-assessment is the strongest tool for determining whether qualifications are being delivered correctly; it is used regularly in other jurisdictions once a threshold of concern about a provider is reached.

An assessment that students are not appropriately competent would be a stronger basis for serious sanctions against a provider.

3.11 The Government should enable the Australian Skills Quality Authority to use independent re-assessment of students as a regular audit and enforcement tool once sufficient concerns have been raised about a particular provider's training and assessment activities. The independent assessment results should be used as evidence in appropriately sanctioning a poor quality provider.

Competency-based assessment with assessment of proficiency

Unlike the higher education system, the competency-based VET system typically does not differentiate between the proficiency levels of graduates undertaking the same qualification, despite a number of dimensions of performance falling on a continuous scale, such as speed, organisational skills and problem solving.¹⁰¹

While marked assessment ranks students based on their performance, under VET's competency-based assessment system prospective employers may not have enough information to determine whether they are hiring the best candidate for the job. Although some individual RTOs have adopted proficiency-based assessment to meet industries' needs for more thorough information about student ability, approaches are inconsistent.¹⁰² The competency-based assessment system also may hinder potential students, as they may wish to decide which RTO to study at based on the quality of its graduates.

In its 2017 report *Shifting the Dial: 5 Year Productivity Review*, the Productivity Commission noted the benefits associated with introducing a proficiency-based VET system, stating that introducing grading would create incentives for students to do well, allow employers to select the best performing candidates for jobs, and boost the reputation of the VET sector as a viable alternative to higher education.¹⁰³

While this Review acknowledges that some RTOs already have some proficiency-based assessment embedded in their training offerings, this should be extended to be properly embedded in qualifications. Change will take time; therefore any proficiency-based assessment should be piloted and evaluated by willing industries as a first step.¹⁰⁴

¹⁰¹ Productivity Commission 2017, *Shifting the Dial: 5 Year Productivity Review*, Report No. 84, Canberra: Australian Government, p 94.

¹⁰² Productivity Commission, *Shifting the Dial: 5 Year Productivity Review*, Report No. 84, p 6.

¹⁰³ Productivity Commission, *Shifting the Dial: 5 Year Productivity Review*, Report No. 84, p 94.

¹⁰⁴ Productivity Commission, *Shifting the Dial: 5 Year Productivity Review*, Report No. 84, p 95.



3.12 Proficiency-based assessment should be piloted with certain qualifications and willing industries, with a view to extending to all relevant industries. The COAG Industry and Skills Council to work with the Australian Skills Quality Authority and Skills Organisations to develop guidance for Registered Training Organisations on the use of proficiency assessment in addition to current assessment descriptions in training packages.

Introduction of proficiency based assessment would need to be supported by recording of proficiency data in student transcripts supplied by RTOs. To ensure the Unique Student Identifier (USI) transcripts reflect this information, adjustments to the NCVER data recording and transcript systems would be required.

Teacher quality

Around a quarter of submissions to the Review identified the quality of trainers as an issue for the sector. Some submissions suggested that greater skills in training and in instructional design were required to ensure students understood the course content.¹⁰⁵

VET trainers are currently required to undertake a TAE, and this qualification is not immune to the broader issues associated with VET, including quality and variability of training and questionable assessments of competency. TAE-qualified trainers could themselves have been enrolled with a poor quality provider and not have been meaningfully engaged in learning about appropriate assessment criteria and behaviour, further compounding wider quality assurance issues.

The Review also heard that VET trainers often did not have relevant industry experience, particularly given the generic nature of TAE, and that there were difficulties attracting industry professionals into related teaching areas.

Many participants in the Review told us that the recent changes to the TAE specifying additional core units of competency had not been effective and in some circumstances had been counterproductive. Stakeholders reported that the requirement for trainers to upskill to have the new core units had caused a huge rush to upgrade qualifications and also seen some trainers leave the system.

High-quality teachers are essential for a high quality training system that is respected by students and employers. The Review heard some suggestions about increasing the qualification for VET trainers, with some submissions suggesting they should only be university-educated trainers.

The risk with continuing to lift universal minimum qualification requirements for VET trainers is that good teachers with current industry knowledge could be removed from the system or would be unable to be recruited into the system. Many providers told us it is very difficult now to recruit experienced trainers with relevant industry experience, especially in regional and remote areas, and in particular specialties.

¹⁰⁵ Callosum Consulting 2019, *VET Review: Submissions analysis data report*, (unpublished), p 16.



The ultimate incentive for RTOs to improve the quality of trainers is to place strong regulatory requirements around the registration and quality assurance of all RTOs. The Review is confident that by implementing the recommendations in this chapter, Governments will be ensuring that minimum teacher quality will be significantly improved.

Governments can complement this system-level approach with targeted measures to encourage and highlight best practice for VET trainers. This can be by recognising and rewarding teacher quality through teaching awards and providing access to quality professional development.

Consumer protection

Variable tuition assurance arrangements

Tuition protection, sometimes termed tuition assurance, is activated when a training provider ceases to deliver a course of study or closes. When tuition protection is activated, different student cohorts receive varying levels of support.

International students studying in Australia are entitled to complete their studies in another course or with another provider or receive a refund of their unspent tuition fees, should their provider close or default on its obligations.¹⁰⁶

VSL students are supported to transfer to a new provider to complete their studies in a comparable course. If there is no comparable course available, students are entitled to a re-credit of their loan for any unit/s of study they had received a loan for and commenced but did not complete.

Student protections for students who pay fees in advance often differ from the protections afforded to other students. Under the RTO standards, if a provider charges a student less than \$1,500 in advance of training, the provider is not required to offer tuition protection.

There are tuition assurance arrangements in some States and Territories for subsidised students and at TAFEs which have provisions specified in their enabling legislation.

This means international, VSL and full fee-paying students may be studying the same course with the same provider, but would receive different support services from different areas of government in the case of provider closure. Some fee-paying students may not be entitled to any support, while classmates receive strong protections and support. This is confusing and unfair for students. It is the Review's position that a student should be entitled to enrol in a course with a clear understanding of how their tuition is protected in the event of a closure, and that the protections offered are sufficient.

The issue of inconsistent tuition protection arrangements was also raised in the Professor Braithwaite's report, which noted that the 'fragmented tuition assurance arrangements across the sector and the inequities created for various student cohorts.'¹⁰⁷

¹⁰⁶ Tuition Protection Service (TPS) website, *TPS Overview for International Students*, last accessed 14 March 2019, <https://tps.gov.au/StaticContent/Get/StudentInformation>.

¹⁰⁷ Australian Government Response 2018, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011*, Canberra: Australian Government, p 13.



Further development of tuition protection arrangements is recommended, although the Review notes that differences between the treatment of loans and fees are likely to continue. Minimum fee levels should be set below which tuition protection arrangements don't apply to manage administrative costs.

- 3.13 The Government look to implement one standard tuition protection model required of Registered Training Organisations to adequately support all students and which is broadly consistent across all student cohorts.
The Australian Skills Quality Authority to audit providers to ensure compliance in tuition protection arrangements.

One of the major barriers to supporting students when their provider closes and activates tuition protection is access to up-to-date student records. Advice from Department of Education and Training is that providers may not have up-to-date student records, and many students who seek support under tuition protection arrangements also do not have accurate records of their completed units of competencies. While the USI may go some way to addressing this issue, where providers do not report regularly into the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS), a student's USI transcript can also be out of date.

- 3.14 All providers be required to maintain accurate student records and reporting on a quarterly basis to the National Centre for Vocational Education Research.

The Review notes that since 2015, all providers in receipt of government funding have been required to report quarterly. Most providers already use AVETMISS compliant student management systems and as at January 2018,¹⁰⁸ the AVETMISS system allows providers to report quarterly.

Strengthening consumer protection

Australian Consumer Law (ACL) is the principal consumer protection law in Australia.¹⁰⁹ ACL applies nationally as a Commonwealth law, and as a law in each State and Territory. While RTOs are subject to ACL, including provisions of deceptive or unconscionable conduct and unfair contract terms, the laws are not consistently applied to protect individual students, and they are confusing for students to navigate.

In her review of the NVETR Act, Professor Braithwaite noted that consumer protection 'has not kept abreast of the increasing commodification of students and the business practices that have exploited them'.¹¹⁰

¹⁰⁸ AVETMISS factsheet, *AVETMISS: Quarterly reporting*, last accessed 19 March 2019, https://www.ncver.edu.au/_data/assets/pdf_file/0020/2455400/CS_4_Fact_Sheet_-_Quarterly_Reporting.pdf.

¹⁰⁹ Australian Consumer Law website, *Legislation, The Australian Consumer Law*, last accessed 14 March 2019, <http://consumerlaw.gov.au/the-australian-consumer-law/legislation/>.

¹¹⁰ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011 report*, p 9.



Students are unable to seek support from ASQA, since ASQA does not act as a student advocate and will not seek to resolve an individual student's dispute with an RTO, including seeking reimbursement of course fees.¹¹¹

The Commonwealth Ombudsman undertakes some consumer protection functions for VSL students through the VET Student Loans Ombudsman, and for some international VET students under the Overseas Students Ombudsman.

Queensland also has a Training Ombudsman which offers free independent review and resolution of complaints, including for students.¹¹² Other States and Territories have advocacy or complaints handling functions. However, there is no single national authority that considers and assesses complaints about VET courses and provides individual resolutions for domestic students.¹¹³

As an example, complaints made about the quality of a student's educational experience are referred to ASQA. In 2016–17 and 2017–18, the Commonwealth Ombudsman transferred 118 complaints to ASQA.¹¹⁴ However, the Commonwealth Ombudsman acknowledges that ASQA does not directly take a role in resolving student complaints.¹¹⁵

The Review considers that, since ASQA does not see its purpose as individually resolving student complaints about quality, there is a gap in the consumer protection framework that should be redressed. This view is supported in the Commonwealth Ombudsman's submission to the Review, which noted the need for these gaps to be identified and rectified.¹¹⁶

A VET Ombudsman that absorbs the existing Commonwealth Ombudsman's VET functions and expands to have the authority to assist all VET students regardless of their circumstances would assist in lifting confidence in the sector. A VET Ombudsman would ensure equity of access to protections and a streamlined interaction with assurance bodies for students. Once fully operational, it could expand to cover all tertiary students.

The Review considers the VET Ombudsman's office should be independent although co-located with ASQA to encourage information sharing which will assist ASQA with its broader quality assurance obligations.

3.15 The VET Student Loans Ombudsman be expanded to become a VET Ombudsman with the appropriate powers to resolve consumer complaints against Registered Training Organisations and that the new VET Ombudsman be co-located with the Australian Skills Quality Authority.

¹¹¹ ASQA website, *What happens when I make a complaint to ASQA*, last accessed 14 March 2019, <https://www.asqa.gov.au/complaints/what-happens-when-i-make-complaint-asqa>.

¹¹² QLD Ombudsman website, *About us*, last accessed 14 March 2019, <https://www.ombudsman.qld.gov.au/about-us>.

¹¹³ Commonwealth Ombudsman, Submission to the VET Review, p 8.

¹¹⁴ Commonwealth Ombudsman, Submission to the VET Review, p 4.

¹¹⁵ Commonwealth Ombudsman, Submission to the VET Review, p 8.

¹¹⁶ Commonwealth Ombudsman, Submission to the VET Review, p 2.



4 Speeding up qualification development

The core product of the vocational education system is the achievement of a national qualification. A nationally recognised qualification should be a real asset to the graduate and recognisable to relevant employers all across Australia. When employers see a certificate or diploma of a certain level, they should be confident of the skills that a new or prospective employee possesses.

In Australia, each national qualification is made up of a set of competencies. Competencies are the building blocks that are put together to create qualifications. Competencies can also be built up into smaller sub-qualifications called skillsets. All of the competencies, skillsets and qualifications for an industry make up a training package, which can be thought of as a bucket in which all the relevant elements sit.

Many submissions to the Review spoke in favour of the system of national qualifications and training packages. Respondents pointed to the benefits of a standardised system of certification, within the Australian Qualifications Framework, as it helps ensure a common understanding and consistency in graduates.

The use of nationally endorsed qualification standards via Training Packages is a valuable aspect of the VET sector. Use of consistent and known qualification structures and outcomes can bring significant benefits to industry, training and education providers and accreditation/licensing bodies, particularly when graduates change job roles or move between state jurisdictions. While not a guarantee of individual competence, consistent training products can provide industry with a greater understanding of the competence, qualifications and capability of graduates. The use of Training Packages and nationally endorsed qualification standards should continue to be a key feature of the VET sector, however, flexibility should be further increased.¹¹⁷

However, the process of updating training packages and qualifications was one of the most heavily discussed topics during the Review. Industry groups, RTOs, employer organisations and governments all voiced concerns that training packages are very cumbersome and complex and too hard to change. As a result, qualifications quickly fall out of date, and in some cases have been out of date for a long time.

RTOs described the frustration and futility of being required to train people for a set of competencies in a qualification when some of the competencies are obsolete in the industry. Many employers and industry groups told the Review that their sectors were undergoing rapid change, and the training package development process was too slow to meet their skills needs. They expressed concern that the process will not be able to cope with the increasing rate of technology change.

¹¹⁷ Naval Shipbuilding Institute, Submission to the VET Review, p 3.



It was noted by industry and employer representatives that the system was overly bureaucratic with fragmented decision-making processes. Industries and businesses do not feel in control of the content and development of qualifications. They believed the balance of control had moved away over time from industries towards government agencies and their agents. Industries are frustrated having to queue up nationally to be given resources from the training bureaucracy to update their qualifications. Regional employers and RTOs felt their local skill requirements were not being properly allowed for in the national qualifications, and they had little system influence to effect change.

Stakeholders noted there has been a push to include very specific detail in qualifications in an effort to improve quality and outcomes. A number of submissions to the Review indicated that this level of detail makes the training package process difficult to navigate. RTOs spoke of how trivial some of the quality assurance has become as ASQA auditors seek to check off every small element of competencies.

Organisations mandated by government to write qualifications are seen as insufficiently experienced in the industries they provide support to, may not always consult the appropriate stakeholders for the relevant industries and have inconsistent operational standards. One submission even went so far as to suggest that these Skills Service Organisations (SSOs) are more focused on their contractual arrangements with the relevant government department rather than the needs of the industry.

Others recognised that there are benefits to extensive consultation processes to develop and agree a change, although that meant the process could be lengthy.

Getting signoffs for changes to qualifications adds to the uncertainty and time taken. After the AISC agrees to a change to a training package, governments can still reject it using their power through CISC.

The Review heard that links between training packages and wage awards and/or licensing requirements can make the processes more complicated, particularly when these vary between States and Territories.

A number of examples were described of industry and employers avoiding and working around the training package system to build new qualifications, or simply using private credentialing instead.

For example, ASQA recently approved an accredited course, Advanced Diploma of Applied Blockchain outside the training package process.¹¹⁸ When the minerals industry in Western Australia needed their own autonomous vehicle qualification, Rio Tinto collaborated with South Metropolitan TAFE and the Western Australian Government to develop the qualification.¹¹⁹ Other industry representatives and employers are working directly with specific training providers to develop training products, ensuring that the student outcomes meet industry requirements.

¹¹⁸ Australian FinTech 2018, "Australia's first accredited blockchain courses have arrived", last accessed 14 March 2019, <https://australianfintech.com.au/australias-first-accredited-blockchain-courses-arrived/>; Training.gov.au, *Accredited course details: 10747NAT - Advanced Diploma of Applied Blockchain*, last accessed 14 March 2019, <https://training.gov.au/Training/Details/10747NAT>.

¹¹⁹ Rio Tinto 2018, "Rio Tinto partners with TAFE to deliver Australia's first automation qualifications", 4 April 2018, last accessed 14 March 2019, https://www.riotinto.com/media/media-releases-237_25010.aspx.



In creating their own qualifications, industry told the Review they were able to own the process, respond quickly to skills needs and not be held up by the complicated training package process.

Case study

Box Hill Institute in Victoria partnered with industry to accredit a national standardised cyber security qualification in 2017.

The qualification was developed in response to a rapidly emerging skill need. AustCyber reported that 'Australia like other countries has a major skills gap in cyber security work roles making it difficult for employers to recruit appropriately skilled job-ready graduates.'¹²⁰

Box Hill Institute states that its 'cyber security course has been developed in conjunction with a significant industry advisory panel comprising of cyber security specialists in the security, banking, information technology and telecommunications industries.'¹²¹

The increased availability of cyber security courses will provide students with sought-after skills, helping to address the shortage Australia currently faces.

The Review heard many requests for micro-credentials to be added to the qualification system; these are discussed later in this chapter. However, on questioning, many industries and RTOs believed that around half of the enthusiasm for micro-credentials was due to the hope that new skills could find a quicker path through the qualification development system using micro-credentials.

The current system for developing and updating qualifications

In the late 1980s the Australian VET system moved from the previous curriculum-based system to competency-based training.¹²² Training packages and competencies are now a key feature of Australia's VET system. Qualifications usually contain a number of core and elective units of competency.

Units of competency do not prescribe how individuals should be trained but specify the knowledge and skills required by individuals to perform effectively in the workplace.

¹²⁰ Coyne, Allie 2018 "Aussie TAFEs to offer cyber security certifications", 25 January 2018, last accessed 17 March 2019, <https://www.itnews.com.au/news/aussie-tafes-to-offer-cyber-security-certifications-481752>.

¹²¹ Box Hill Institute website, *Cyber Security*, last accessed 17 March 2019, <https://www.boxhill.edu.au/course/ict-information-management/cyber-security/>.

¹²² McDonald, Rod 2004, *Moving on: report of the high level review of training packages*, Brisbane: Australian National Training Authority (Accessed via VOCEDplus: NCVER's international tertiary education research database, <http://hdl.voced.edu.au/10707/87259>).



Training providers use training packages to design training courses and curriculum, and to develop assessment methods that assist individuals to demonstrate that they have the requisite skills and knowledge for the workforce. Training packages also provide the industry's preferred approach to assessment, including the qualifications required by assessors, the design and how assessment should be conducted.¹²³

There has been significant work undertaken to simplify and streamline training packages. Since 2016, the number of training packages decreased from 77 to 59, while the number of national qualifications decreased from 1,611 to 1,458.

The AISC was established by the CISC in 2015 to, amongst other things, oversee the qualification development process, approve new qualifications and recommend qualification updates to CISC.¹²⁴ CISC has legislative authority to endorse (or not endorse) training packages under the *National Vocational and Education Training Regulator Act 2011*.

The AISC agrees to a national review schedule, in accordance with what the AISC believe are the system priorities for determining training package updates.¹²⁵ This schedule is used to ration available resources for the update of qualifications. Industries seeking to change a qualification need to make a case for change through a SSO for consideration by the AISC.

SSOs are mandated to administer qualification changes. They are contracted by the Department of Education and Training and allocated to particular IRCs by the department. There are currently six SSOs. Once the AISC has decided a qualification change can proceed, the SSO is contractually obligated by the Department of Education and Training to consult industry and draft the new or updated qualification.

The main method for industry to seek a qualification change and have input is through IRCs. Membership of IRCs is voluntary and determined by the AISC. Their roles include advising the AISC on industry skills needs, reviewing draft qualification changes and ensuring the industry is adequately consulted on the change.

Once a change has been drafted and consulted on by the SSO, it is referred back up to the AISC for approval. The AISC then publishes the changes to the training package and recommends it to CISC for final endorsement. Once a training package has been updated, RTOs will usually have up to 12 months to transition to the updated training package. If CISC does not endorse it, the IRC must consult further and resolve the issue.

SSOs and IRCs were created in 2016 to replace the previous Industry Skills Councils which were seen at the time as being too remote from employers. Technically speaking, qualifications are drafted by SSOs, with the intent that IRCs advise the SSOs what details should be included in the training package.¹²⁶ However, the Review was advised that SSOs reporting lines tend to be to DET rather than the IRCs.

¹²³ ASQA website, *Training Packages*, last accessed 17 March 2019, <https://www.asqa.gov.au/about/australias-vet-sector/training-packages>.

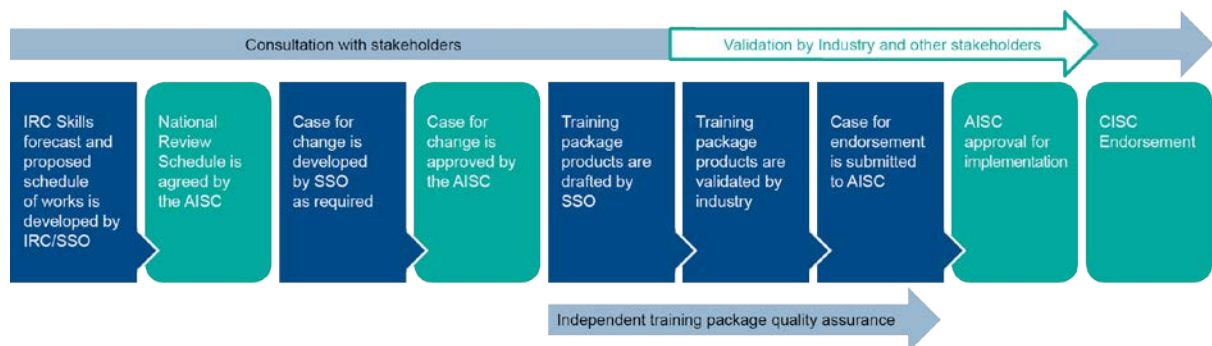
¹²⁴ Australian Industry and Skills Committee website, *About the AISC*, last accessed 14 March 2019, <https://www.aisc.net.au/content/about-aisc>.

¹²⁵ Department of Education and Training 2016, *Training Package Development and Endorsement Process Policy*, Australian Industry Skills Council, Canberra: Australian Government, p 14-15.

¹²⁶ Department of Education and Training 2016, *Training Package Development and Endorsement Process Policy*, Australian Industry Skills Council, Canberra: Australian Government, p 14-15.



Figure 4.1: Training package development and endorsement process policy¹²⁷



View the text alternative for [Figure 4.1](#).

The Department of Education and Training advised the Review that, on average, it takes a little over 12 months to update a training package from when the IRC has been given approval to update the package. However the full process can take considerably longer. The Review was told of many processes that have taken several years. This lengthy process means that training packages can be out of date before they even start to be taught.

There is ongoing work to further improve training packages. In November 2016, the CISC ‘agreed that work be undertaken to examine and develop a case for change for enhancements to the design of training products, in partnership with industry and in consultation with the VET sector’.¹²⁸

In 2017, Fyusion was engaged by the AISC to map the national training package development, endorsement and implementation process. The Fyusion report, released in 2018, provides the AISC ‘with visibility of activities, stakeholder involvement, and timelines in the end-to-end process as it is currently carried out’.¹²⁹ It described a highly complex set of procedures.

In 2018, CISC agreed to progress training product reform by undertaking pilots and projects to test proposed enhancements to training products, including work on banks of common units of competency.

Nationally recognised qualifications are not limited to those in training packages. Accredited courses are also nationally recognised. These are stand-alone qualifications that sit outside training packages and are approved by the relevant VET regulator (ASQA, or the two State regulators). However, to be accredited, a course must address training needs not already included in a training package, for example, in new or emerging areas.¹³⁰

¹²⁷ Department of Education and Training 2016, *Training Package Development and Endorsement Process Policy*, Australian Industry Skills Council, Canberra: Australian Government, p 10.

¹²⁸ Department of Education and Training 2017, *Training Product Reform: what is the case for change?* Canberra: Australian Government, p 1.

¹²⁹ Australian Industry Skills Council 2018, *Training Package Development, Endorsement and Implementation Process Current State Report*, Canberra: Australian Government, p 6.

¹³⁰ ASQA website, *Accreditation with ASQA*, last accessed 14 March 2019, <https://www.asqa.gov.au/course-accreditation/accreditation-asqa>.



An overly-centralised process

It is clear from describing this model and hearing from those that are required to interact with it that the process for development and amendment of qualifications and training packages in Australia is overly-centralised and bureaucratic and has been for many years.

The 'funnel' for updating qualifications is too narrow, there are too many steps in the process, and the actual voice of industry participants is too weak.

The number of organisations that must give permission for a qualification to be updated is too high. CISC, AISC, Department of Education and Training and SSOs all have more effective power in the process than representatives of the industries involved. It is hard to imagine the university sector coping with such a process. Industries are better placed to determine when and how to update their qualifications.

It was difficult to understand why the process should be so centrally controlled. While a national qualification necessarily requires compromise, it is unclear why industry leaders shouldn't be capable of making those compromises. It was suggested that industry was too self-interested and true industry voices didn't engage enough with the process. A reluctance in industry to participate in the current process or its previous iterations is not surprising.

Overseas VET models, such as in the United Kingdom, provide industry a greater level of control of qualifications development than the current Australian system. In the New Zealand model, Industry Training Organisations (ITOs) are self-organised by particular industries and are responsible for 'setting national skill standards for their industry; providing information and advice to trainees and their employers; arranging for the delivery of on and off-job training (including developing training packages for employers); arranging for the assessment of trainees; and arranging the monitoring of quality training.'¹³¹

It is telling that the most successful and timely examples of qualification development in Australia recently have been using the sort of industry-led model that is in place elsewhere.

The Review believes that it is time for much more industry leadership in the vocational qualifications development system in Australia if it is to successfully meet the needs of industry now and in the future.

Skills Organisations to lead qualification development

The Review recommends that a true industry-owned approach to qualification development is introduced through the establishment of SOs. SOs would be led and owned by employer representatives and other relevant stakeholders (such as unions). SOs should control the qualification development process for their industries.

- 4.1** Industry-owned and government-registered Skills Organisations to be set up to take responsibility for the qualification development process for their industries and to control their training packages.

¹³¹ NZQA Website, *Accredited Industry Training Organisations*. Last accessed 26 March 2019, <https://www.nzqa.govt.nz/for-business/ito.do>.



Industry-owned organisations would be best placed to control the pace of change of qualifications for their industries and develop their qualifications more quickly and cost-effectively. Businesses in Australia already have processes for developing national representation and accounting for regional differences within their respective industries. SOs will be able to draw on these processes and bring industries together around their qualification process.

SOs would be responsible for their own make-up and governance but they would need to be demonstrably accountable to their industries. SOs would need to apply to the Commonwealth for registration, and show they are supported by industry peak bodies, large and small employers, registration bodies, and other key stakeholders across the States and Territories to obtain and keep the coverage of their industry or industries.

4.2 Skills Organisations would be required to register themselves and their industry coverage with the Commonwealth and renew their mandate regularly (every three to five years). At the time of registration and each renewal they would need to demonstrate the support of their employers and other stakeholders for the performance of their responsibilities.

The Review recommends a greatly simplified process for creating and approving qualifications. SOs would be responsible for contracting the drafting of their training packages and qualifications and running their own consultation processes. Drafting could be done by an RTO or another organisation with the requisite knowledge base, but the resulting qualification and its parent training package would be 'owned' by the Skills Organisation on behalf of the relevant industry.

The final qualification would be approved by ASQA for listing on the national register, training.gov.au. This is a similar but expanded role to the one ASQA currently performs for accredited courses. ASQA would need to be suitably assured by the SO that the new or amended training package, qualification, competency, or skillset is supported by the relevant industry such that it meets the definition of a national qualification.

4.3 Skills Organisations to be responsible for the development of new or amended training products and the consultation process with industry. Final products (qualifications, competencies, or skillsets) would be approved by the Australian Skills Quality Authority for listing on training.gov.au. The Australian Skills Quality Authority would be required to be assured the new product meets the definition of a national qualification and is supported by businesses in the relevant industry.

Skills Organisations will therefore replace the AISC, IRC and SSO structure, and internalise the qualifications development process to each industry or group of industries. The AISC, IRCs and SSOs would be discontinued. ASQA's role would be as the gatekeeper to the AQF, and to provide quality assurance to the National Training Package Framework. One single funnel for national training package development and amendment would be replaced by a number of parallel processes under the control of individual industries or groups of industries.



The Review proposes that each SO be part-funded by the Commonwealth to perform its role based on the number of trainees and apprentices that train each year using the training package or packages it is responsible for. This will help ensure that SOs develop and maintain true industry-relevant qualifications and are encouraged to remove obsolete qualifications. It will also ensure that similar industries are encouraged to collaborate to obtain scale to perform their role.

There are currently 59 training packages in Australia. It is expected there would be no more than 25 to 30 SOs nationally. Related industries should form a single SO. For example, the primary industry bodies – responsible for the animal care and management, horse racing and agriculture, horticulture and conservation and land management training packages – would likely perform well together as one single SO.

Wider roles for Skills Organisations

The Review recommends that the responsibilities of SOs be wider than that of qualification development. As industry training representatives, they logically have roles in assessing skills needs for their industries, marketing their industry to prospective trainees and school students, managing apprenticeships support and endorsing RTOs to deliver their training packages.

These roles would provide positive feedback loops that will assist SOs in their training package ownership and development role, and ensure they truly take responsibility for meeting the skills needs of their industries.

4.4 Skills Organisations should be allocated a number of other responsibilities beyond their training package development role, to ensure they take ownership of, and have responsibility for, meeting the skills needs of their industry(s), including:

- assessing skills needs in their industry(s),
- marketing to prospective trainees and school students,
- managing apprenticeship and traineeship support, and
- endorsing preferred training providers and supporting assessment as appropriate.

Including them in Skills Organisations will help ensure their accountability to industry and ensure industry stakeholders stay actively involved with their Skills Organisation. This will help alleviate the problem of a lack of true industry engagement cited with previous organisational models, and ensure the SO infrastructure is used efficiently and effectively.

The range of functions proposed for SOs would connect them to all parts of the VET system and see them act as a mechanism to 'glue' the VET system together around true industry ownership.

The most current examples of SOs are the New Zealand ITOs which have been in place since 1992. There are also similar Australian entities, albeit without the right to control qualification development. Examples include Construction Skills Queensland, the Tasmanian Seafood Industry Council and the Naval Shipbuilding College based in Adelaide.



Checks and balances on Skills Organisations

A number of checks and balances need to be built into the design of SOs to ensure they remain responsive and accountable to their industry at all times. Independent registration, fixed terms of accreditation, and funding based on the actual training activity for their training packages are important checks to ensure SOs are responsive to industry needs.

SOs should be co-funded by the Commonwealth and employers (through their training fee), and they should be prevented from owning RTOs in their own right (with appropriate processes for managing conflicts of interest put in place for directors who have interests in RTOs).

While only one SO should be able to hold ownership for an industry's training package at a time, SOs should be able to apply to take over responsibility for an industry outside their current scope if that industry requests it, and the SO can demonstrate that support. This will help ensure reasonable levels of competition between SOs.

Industries should control the make-up of the governance boards of SOs. A governance structure that is supported by the industry would be an important consideration when Ministers are considering registering a SO.

- 4.5 The legislative design of Skills Organisations should include checks and balances that incentivise them to deliver effectively and efficiently for industry, including:
- fixed terms of accreditation with a full application process for renewal,
 - a method to extend or reduce industry scope during the term of accreditation,
 - funding based on actual training activity,
 - co-funding from the Commonwealth and employers,
 - being unable to own Registered Training Organisations in their own right,
 - effective management of conflicts of interest, and
 - a governance structure supported by employers and other stakeholders.

To assist with the design of SOs, the Review recommends that the Commonwealth set up one or two pilot SOs in industries which have a significant need for qualification development, and which don't have strong engagement with the current qualifications system. The digital technologies industry would be a logical candidate for a pilot SO.

- 4.6 The Commonwealth should pilot Skills Organisations nationally for one or two industries, including digital technologies, in order to develop and refine the Skills Organisation model.



Where there is no Skills Organisation

Accredited 'courses' should be retained as part of Australia's nationally recognised qualification framework to provide an alternative pathway for creating qualifications. However the nomenclature accredited 'course' can be misleading when it actually leads to a qualification. In these instances, the term 'accredited qualification' should be used. Accredited courses and qualifications should continue to be approved by ASQA, alongside its new role of approving qualifications, competencies and skillsets in training packages.

The accredited qualification approach should be available when a group seeks to create a sufficiently distinctive new qualification and they are unable to do so through a SO.

While most industry groups should be part of SOs, accredited qualifications and courses allow for smaller, niche industries, business or even training providers to work independently of an SO to develop their own qualifications when there is a need that an SO is unable or unwilling to meet. This will also serve as a further check and balance on the roles of SOs.

The Review recommends that the need to review an accredited qualification and courses every five years cease, but the requirement that an accredited qualification only be approved where there is no similar existing qualification should be retained.

In instances where there is a need for a new or updated training package or accredited qualification and no suitable SO exists, the Review recommends that ASQA be responsible for developing these qualifications, working with the relevant industry.

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| 4.7 | The Australian Skills Quality Authority should be permitted to approve accredited courses and qualifications for listing on training.gov.au when they are sufficiently unique, there is a demonstrated need for them, and there is no Skills Organisation able or willing to sponsor them as part of a training package. The Australian Skills Quality Authority should also lead the development of qualifications with industries where there is no responsible Skills Organisation. |
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New tools to improve qualification design

It is recommended that SOs, as the industry bodies responsible for qualification outcomes, be provided the flexibility to use additional tools or methods to address concerns about the quality of training.

With industries controlling appropriate levers to influence quality, it is envisaged that the level of detail recorded in units of competencies will be able to be reduced. Using tools such as benchmark hours and work placements, as discussed in Chapters 2, 3 and 7, to influence quality will help ensure graduates are exiting the VET system with the requisite amount of learning and skills.

Writing units of competency more simply will ensure they do not quickly become 'out of date', since the micro-level of detail currently included will no longer be required. As a result, employers will receive graduates with the right skills, but training packages and qualifications will not need to be updated as regularly.



- 4.8 Skills Organisations should use the ability to specify benchmark hours and work placement hours to reduce the level of prescriptive detail contained within individual competencies, so they can more easily remain current when technology and standards change.

Improvements to qualification design and provider quality (discussed in Chapter 3) should enable better articulation between VET and higher education.

Some RTOs, such as TAFE Queensland, have detailed articulation policies available for students, which clearly show the formal transfer and credit arrangements the TAFE has with a number of universities. However, the Review heard that the pathways between VET and higher education are generally not clear, and some students enrol in VET qualifications with a misunderstanding that a completed certificate will automatically qualify them for entry into a bachelor level degree.

When developing qualifications, SOs should work with industry, RTOs and higher education providers to include articulation pathways in training package materials, which broadly specify the value of a VET qualification for higher education entry and credit. This will give guidance to higher education providers when assessing a person's previous VET study.

- 4.9 Skills Organisations should include articulation pathways between VET and higher education in training packages where agreed with higher education providers.

A key guiding principle of the AQF is that qualification types at the same level should have a comparable level of complexity and/or depth of achievement. However, the Review heard many times that the AQF level does not reflect the level of complexity and skill actually required for certain qualifications, such as the trade certificate III. This leads to qualifications on the same level being very different in complexity and what is required to achieve them, creating a risk to the integrity of the AQF and its standing amongst those obtaining and relying on qualifications.

This misalignment may be historic and/or the result of links to industrial relations and wage awards issues. Many of the current apprentice wage awards, for example, are aligned with certificate level III qualifications. If the qualification level was changed (for example to a certificate IV), this could impact the wage awards if apprentices would qualify for higher pay.

Currently, the IRCs determine the AQF level applicable to the qualification. There is a strong argument that this should instead be determined by an independent arbiter, to ensure the integrity of the framework is prioritised. Matters of industrial relations are more appropriately dealt with in other fora, rather than risking the integrity and reputation of the qualifications framework.



The current AQF review, led by Professor Peter Noonan, is exploring the issue of qualification types that may not conform to their AQF level descriptors.¹³² The Review supports a review of qualifications against the AQF to determine appropriate levels.

The Review also recommends that industry should not be responsible for assigning the AQF levels to a qualification, instead, an independent body should assess qualifications to determine the appropriate AQF level.

4.10 An independent panel supported by the Australian Skills Quality Authority should be responsible for determining the appropriate Australian Qualifications Framework levels for qualifications to ensure the broader integrity of the Australian Qualifications Framework.

Short form credentials

There is currently no consistent definition of what a 'micro-credential' is in Australia. The AQF review uses the term 'shorter form credentials' to describe the range of training that is shorter than a qualification and not currently included in the AQF.¹³³

Some shorter form credentials are available in training packages and are nationally recognised. Skillsets are groups of accredited units of competency that together form a 'skillset' which is a level down from the full AQF qualification. This Review heard little commentary about skillsets, which suggests that they are not widely used or understood.

Other shorter form credentials have no mapping to the AQF, for example, the current Australian system does not allow industry, students or employers to capture micro-credentials or ascertain their value against the AQF, meaning they lack any sort of national currency.¹³⁴

There is significant interest from employers and industry representatives in training staff in micro-credentials as an alternative to full qualifications. We were advised that micro-credentials could be particularly useful for upgrading skills of existing workers for new technologies. We were also told that employers often didn't need to train workers for full qualifications, and preferred to train them for the parts of qualifications relevant at the time. It is not clear why skillsets are not used by industry as 'micro-credentials'.

Training workers for part-qualifications raises some interesting policy questions for government, particularly in relation to funding such activity. The main public policy rationale for government funding vocational training towards qualifications is that there is a public benefit obtained when people are trained for a recognised transferable qualification. This value is not necessarily captured by the person who obtains the qualification or, in the case of work-based learning, by the current employer. There is some question whether that public benefit rationale still applies if training doesn't lead to a recognisable qualification.

¹³² Department of Education and Training 2018, *Review of the Australian Qualifications Framework Discussion Paper*, Canberra: Australian Government, p 24.

¹³³ Department of Education and Training, 2018 *Review of the Australian Qualifications Framework Discussion Paper*, Canberra: Australian Government, p 14.

¹³⁴ Department of Education and Training, 2018 *Review of the Australian Qualifications Framework Discussion Paper*, Canberra: Australian Government, p 14.



This issue of short-form credentials is being considered by the AQF review, which is exploring whether a wider range of credentials could be included in the AQF. The Review is supportive of the concept of registering short-form credentials on the AQF and recommends further consideration of them following completion of the AQF review.

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| <p>4.11 Consideration be given to further encouraging the use of short-form credentials such as skillsets or micro-credentials to provide more flexible training options to industry, following the report of the Australian Qualifications Framework review.</p> |
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5 Simpler funding and skills matching

The current funding arrangements for vocational education and training are a major frustration for RTOs, industries, employers and apprenticeship coordinators.

Funding system inconsistencies – between States and Territories, between States, Territories and the Commonwealth, and between the VET and higher education sectors – were all identified by Review participants as creating unnecessary complexity and inequity.

While the State and Territory representatives argued positively for the variations between jurisdictions, the pervasiveness of local variation in funding rates, funding rules and what is funded is confusing for nearly all others participating in the VET system.

Providers and employer representatives who responded to the Review were critical of each jurisdiction having its own unique set of funding arrangements. There was extensive feedback on the difficulty of operating across multiple jurisdictions with differing rules, separate audit requirements and variable funding rates.

While this feedback is not surprising when it comes from larger providers and employers operating across multiple States and Territories, it was also a view expressed by small providers delivering in single jurisdictions who had trouble explaining the differences between States and Territories to students and employers.

It can be argued the inconsistency between funding arrangements is not just a burden to those operating across jurisdictions but also a barrier to the growth of small employers and providers who do not have time to navigate multiple sets of rules to deliver training in a new State or Territory.

The Review heard from many providers about frequent changes to the list of qualifications being subsidised by States and Territories and the subsidy amounts. The effect of this approach was to reduce certainty for providers trying to manage their organisations while delivering quality training. Providers were unsure of how to plan their businesses or when and whether to invest in growth.

Many participants in the consultations spoke of the funding incentives that encourage prospective students to choose courses in higher education over VET. Higher education bachelor level students at a public university have access to a government income-contingent loan that covers the full cost of their course without any fee for using the loan, and any course is eligible for a loan.

In VET, government loans are available only for diploma and above qualifications, at a limited set of providers, for only some qualifications, with a cap on the loan amount and a 20 per cent loan fee for many of the students. It was argued that this situation results in people choosing a bachelor course over a VET course even when it does not suit them or their career aspirations.

A wide range of participants were concerned about the decline in overall public funding for VET in recent years. There was a strong connection made between the funding levels, quality issues and the perceived value of VET, particularly in contrast with the growth in funding in the higher education and school sectors over the same period.



The States and Territories argued that in their individual jurisdictions funding declines had been the result of tighter targeting of subsidies to higher quality training with demonstrable employment outcomes. Providers and employers were unconvinced.

A number of employers and employer representatives stated that the amounts and coverage of incentives to employers to take on apprentices and trainees were not adequate and this contributed to declines in apprenticeship and traineeship numbers. AASN providers supported this view and also spoke about the difficulty of attracting qualified candidates for apprenticeships and traineeships in some parts of the country.

A range of participants in the Review expressed concern about the complexity of arrangements for apprenticeships and traineeships and the large number of different agents involved in administering the system. Employers spoke of a bewildering array of RTO representatives, Group Training Organisations (GTO), AASN providers, and State and Territory agents queuing up to help them with their current and future apprentices and trainees.

Current VET funding arrangements

Responsibility for public funding of the VET system is shared between the Commonwealth and the States and Territories according to the *Federal Financial Relations Act 2009* and various related agreements. It is overseen jointly by Ministers and departments through CISC.

The subsidies paid by the States and Territories are partly funded from their own resources and partly from the Commonwealth through the National Skills and Workforce Development Specific Purpose Payment and the associated NASWD.¹³⁵ These payments are effectively annual block grants to States and Territories, over which the Commonwealth has very limited oversight of how the funds are spent.

The Australian Government has recently introduced the National Partnership Agreement on the Skilling Australians Fund (NPSAF),¹³⁶ with six States and Territories (Victoria and Queensland did not participate). The NPSAF aims to boost apprenticeship and traineeship numbers. Commonwealth funding is matched by the States and Territories and directed towards apprenticeships and traineeships across a range of priority areas.

The funding system is complex, with each jurisdiction responsible for determining its own funding policies, including how and where to prioritise funding, and funding levels. Public funding is mostly directed to supporting full qualifications. A large amount of training is not subsidised at all, instead full fee-for-service fees are charged.

¹³⁵ Council of Australian Governments 2008, *National Agreement for Skills and Workforce Development*, Canberra.

¹³⁶ Council of Australian Governments 2018, *National Partnership on the Skilling Australians Fund*, Canberra.



From 2012 to 2017, under the NPASR the States and Territories implemented agreed national reforms to introduce a contestable training market and a national entitlement to a government-subsidised training place to a minimum of a first certificate III qualification in each jurisdiction.¹³⁷ These reforms have been implemented differently in each State and Territory.

Initially, States and Territories undertake skills demand assessments to determine priority qualifications to fund in their jurisdiction. The assessment methodology and processes are not coordinated across jurisdictions or with the Commonwealth. The OECD noted in its report *Getting Skills Right: Australia* that the methodologies across the States and Territories vary.¹³⁸ This is likely to be at least partly why there are wide variations in which qualifications are subsidised.

States and Territories overlay different funding policies on top of their skills demand assessments. Most have made regular, and occasionally quite abrupt, changes to the availability of subsidy funding to different provider types. They have sought to manage their student subsidy arrangements and contestable funding for entitlement schemes amid concerns over expenditure overruns, quality issues, and the viability of TAFEs, which are owned by the States and Territories. As a result, RTOs, trainees and employers have experienced big variations in subsidy levels.

The same qualifications attract different subsidy amounts across jurisdictions. Broadly, all subsidised courses receive a base subsidy rate, with higher rates or loadings applied for courses identified as higher priority for the economy, to compensate for higher costs of delivery or to incentivise target groups. On the basis of publicly available information, there is currently no qualification where the subsidy amount matches between jurisdictions.¹³⁹

There are some big and quite inexplicable variations. One example is the Diploma of Nursing, with subsidies of \$19,963 in Western Australia, \$16,388 in Victoria, \$10,250 in New South Wales, \$8,990 in the Australian Capital Territory and \$8,218 in Queensland – a difference of \$11,745 between Western Australia and Queensland. The subsidy amount for some courses can also be quite similar, with around 5 per cent of courses subsidised in both New South Wales and Victoria having a difference of \$100 or less.¹⁴⁰ In these cases it would be frustrating to employers and RTOs that there is not a common subsidy amount.

¹³⁷ Council of Australian Governments 2012, *National Partnership Agreement on Skills Reform*, Canberra.

¹³⁸ OECD 2018, *Getting Skills Right: Australia*, Paris: OECD Publishing.

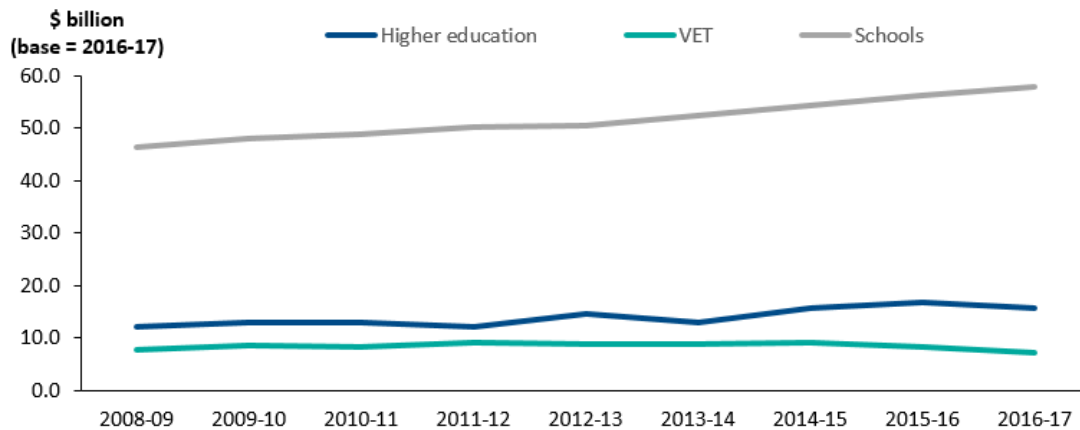
¹³⁹ New South Wales Government, Department of Industry, *Smart and Skilled: Prices and fees – v 8.5*, last accessed 12 March 2019; Victorian Government, Department of Education and Training, *Skills First – 2019 Funded course list and subsidies*, last accessed 12 March 2019; the Australian Capital Territory Government, Skills Canberra, *Skilled Capital Qualification List Feb 2019*, last accessed 12 March 2019; Western Australia Government, Department of Training and Workforce Development, Jobs & Skills WA, *2019 Priority Industry Training*, last accessed 12 March 2019; Queensland Government, Department of Employment, Small Business and Training, *Priority skills list (2018-19 Annual VET Investment Plan)*, last accessed 12 March 2019.

¹⁴⁰ New South Wales Government, Department of Industry, *Smart and Skilled: Prices and fees – v 8.5*, Last accessed 12 March 2019; Victorian Government, Department of Education and Training, *Skills First – 2019 Funded course list and subsidies*, last accessed 12 March 2019.



Total public funding for VET has declined in the past ten years while funding for schools and higher education has increased; see Figure 5.1. Higher education funding is paying for an increasing number of students, some of whom might otherwise have been trained in the VET system.

Figure 5.1: Trends in total public expenditure on higher education, VET and schools, 2008–09 to 2016–17¹⁴¹



Notes:

1. All funding excludes capital expenditure.
2. Higher education expenditure includes government funding for higher education research.
3. Includes cash outlays for income-contingent loans including Higher Education Loan Program, VET FEE-HELP, VSL and Trade Support Loans.

View the text alternative for [Figure 5.1](#).

On a per-place basis, government funding for VET is the lowest of the three education sectors, at around \$12,500¹⁴² per Full-Time Equivalent (FTE) in 2016–17.¹⁴³

Higher education was the highest, at nearly \$22,000¹⁴⁴ per FTE¹⁴⁵ and schools were funded at just over \$15,000 per FTE.¹⁴⁶

¹⁴¹ Department of Education and Training, *Annual Reports*; Australian Government, *Final Budget Outcome papers*, 2008-09 to 2016-17; NCVER, *financial information* 2008 to 2017; Australian Bureau of Statistics 2019, *Consumer Price Index, Australia, December 2018* cat.no. 6401.0; Department of Education and Training, *Portfolio Additional Estimates Statements*; Productivity Commission 2019, *Report on Government Services 2019, Part B Chapter 4A School Education*; Department of Education and Training, unpublished data.

¹⁴² Includes cash outlays for income-contingent loans, i.e. VET FEE-HELP, VSL and Trade Support Loans.

¹⁴³ NCVER, *financial information* 2016 and 2017; NCVER, *National VET Provider Collection*; Department of Education and Training, *VET Student Loans data collection 2016 and 2017*, Canberra; Department of Education and Training, *VET FEE-HELP data collection 2016 and 2017*, Canberra; Department of Education and Training, unpublished data.

¹⁴⁴ Includes cash outlays for the Higher Education Loan Program and government block grants for higher education research.

¹⁴⁵ Department of Education and Training, *Annual Report 2016-17*; Department of Education and Training, *Selected Higher Education Statistics – 2016 and 2017 student data*; Department of Education and Training, unpublished data.

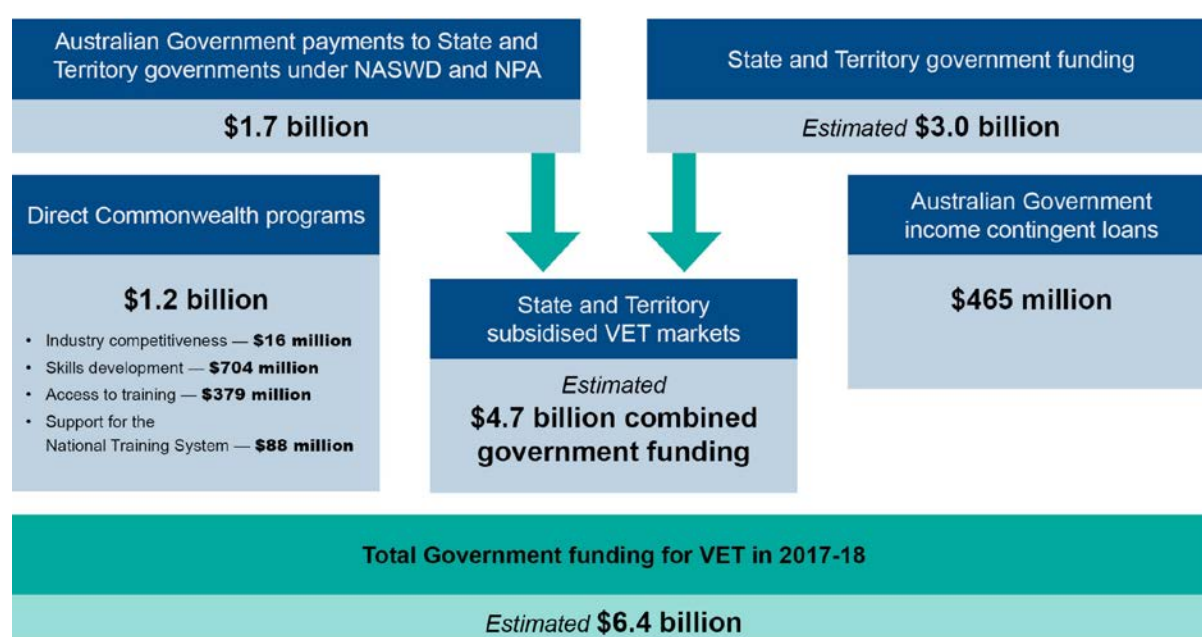
¹⁴⁶ Productivity Commission 2019, *Report on Government Services 2019 - Part B Chapter 4A School Education*, Canberra.



As well as co-funding the States' and Territories' training systems, the Commonwealth funds a number of activities directly, including support services for apprentices and trainees, employer incentives, and some language, literacy and numeracy programs. States and Territories are also active in these areas. Several programs administered by the Commonwealth and States and Territories overlap in their support of the same or similar outcomes – for example, for apprentices and trainees or their employers. This situation creates further confusion for participants in the system.

Total public funding for vocational education in Australia (Figure 5.2) was estimated to be \$6.4 billion in 2017–18, of which \$3 billion was contributed by State and Territory governments, and \$3.4 billion by the Commonwealth.

Figure 5.2: Overview of VET public funding, for 2017–18¹⁴⁷



Notes:

1. Direct Department of Education and Training programs cover a range of support for apprentices and trainees, including employer incentives and support services for apprentices and trainees; support programs for job-seekers and migrant English programs; and support for the national training system, including the AISC, NCVER and the MySkills website.
2. Cash outlays for income-contingent loans that is VET FEE-HELP, VSL and Trade Support Loans.

View the text alternative for [Figure 5.2](#).

¹⁴⁷ Department of Education and Training 2018, *Portfolio Additional Estimates Statements 2017-18*; Australian Government *Final Budget Outlook 2017-18*; NCVER 2018, *Australian vocational education and training statistics: financial information 2017*; Department of Education and Training, unpublished data.



Course fees and student loans

Upfront course fees are generally not regulated in the VET sector, except in a few States and Territories which set the fee amount that can be charged for a student in a subsidised place. For example, New South Wales sets student fees for subsidised courses based on advice from the Independent Pricing and Regulatory Tribunal (IPART) on the efficient cost of qualifications.¹⁴⁸ In contrast, Queensland supports deregulated pricing arrangements, where the Government sets the subsidy level and the approved provider determines the fee level.¹⁴⁹ The Australian Capital Territory is semi-regulated, setting a minimum tuition fee.¹⁵⁰

To assist students with upfront costs, some providers provide scholarships, grants or other forms of private finance payment plans. A number of State and Territory Governments have recently introduced 'fee-free TAFE courses' available only at publicly owned institutions. In Victoria, these arrangements cover priority courses, including both priority non-apprenticeship and apprenticeship pathway courses, delivered at TAFEs. For other jurisdictions, such as New South Wales and the Australian Capital Territory, these are limited to apprenticeship courses.

The Commonwealth Government provides some financial support to VET students through income-contingent loans for students studying at diploma level and above. This was originally through the VET FEE-HELP scheme. When VET FEE-HELP was introduced, some States or Territories redirected fee subsidies away from diploma and above courses to other qualifications.

Due to the emergence of significant issues with the behaviour of some providers and a blow-out in the cost of the scheme, the Commonwealth closed the VET FEE-HELP scheme and replaced it with the VSL program.

VSL is much more targeted than VET FEE-HELP, with caps on the loan amount for a course and a more limited set of courses eligible for loans. Like VET FEE-HELP, VSL is only available through a subset of providers approved by the Commonwealth. These may be different providers from those subsidised by the relevant State or Territory.

The rapid transition from VET FEE-HELP to VSL was one of the reasons for recent declines in VET funding. The reduced scope of loans available to students saw total loans drop dramatically. This resulted in a decline in Commonwealth support for diploma and advanced diploma courses.

¹⁴⁸ IPART website, *Fact Sheet – Training Providers – Prices and fees for Vet under Smart and Skilled – 30 July 2013*, accessed 5 February 2019.

¹⁴⁹ Department of Employment, Small Business and Training, *Pre-qualified Supplier Policy 2018-19 for Queensland VET Investment Programs*, Queensland Government.

¹⁵⁰ Skills Canberra, *Skilled Capital Qualification List – February 2019*, Canberra: Australian Capital Territory Government.



Another example of policy changes affecting funding levels is the withdrawal of Commonwealth employer incentives for existing worker traineeships. In this case there were concerns that some employers were claiming training subsidies for skills their employees already had. In those cases, traineeships effectively became an expensive subsidy for recognition of prior learning. The number of traineeships, which had grown quickly, then declined quickly. Removal of the incentives in 2012 and 2013 led to an 81 per cent decline in existing worker non-trade trainee commencements from 2008 to 2017.¹⁵¹

The Commonwealth also provides support payments, such as Youth Allowance, Austudy, ABSTUDY and the Living Away from Home Allowance, and income-contingent Trade Support Loans to students and apprentices to assist with non-tuition costs during their training.

The VET system has limited reporting requirements and performance indicators to measure the effectiveness and outcomes of government funding. The NASWD between the Commonwealth and the States and Territories sets out agreed goals for VET and includes targets to be met by 2020. The targets are not on track and are unlikely to be met. They are also inadequate for making a proper assessment of the performance of the system because there is no check on how well the system is delivering the specific skills needed by the labour market.¹⁵²

Time for a fresh approach

There is a clear need to implement a new set of consistent funding arrangements to support VET across Australia. The level of stakeholder frustration with the complexity and inconsistency of the current pricing and subsidy models is high. Beyond the specific problems caused by variable and varying funding, the funding system as a whole is contributing to issues with confidence in the overall VET system.

Some stakeholders have suggested that the Commonwealth should take over responsibility for funding the VET sector, as it does for the university sector. They look enviously at a much more straight forward and simple university funding system, which they believe is far easier for students and other stakeholders to understand. This sentiment is hard to argue with.

On the other hand, it is also easy to understand the perspective of the States and Territories. They see their vocational training system as an important lever to help in managing and growing their local economy. They argue, not without merit, that they have a greater understanding of their local economies than the Commonwealth does. One of the strengths of the VET system should be its ability to respond to local needs, and they believe they are best placed to do it.

The Review therefore proposes a new funding policy designed to meet the needs of States, Territories and the Commonwealth and, most importantly, the consumers of vocational education and training.

¹⁵¹ NCVER, *Apprentices and Trainees Collection*.

¹⁵² Productivity Commission 2019, *Performance reporting dashboard – NASWD*, last accessed 22 March 2019, <https://performancedashboard.d61.io/skills>.



The Review proposes that the Commonwealth take the lead in developing nationally consistent course subsidies for the sector, while States and Territories continue to allocate those subsidies on a competitive basis to quality-assured providers. They would do this based on their assessment of industry demand and an agreed approach to skills forecasting between the Commonwealth and the States and Territories.

- 5.1 The Commonwealth and the States and Territories agree to develop a simpler, nationally consistent funding policy for all government-subsidised qualifications, which provides confidence and certainty to trainees, industry, employers and all funded providers, public or private.

The policy would involve the Commonwealth preparing agreed national average costs and subsidy levels, with the States and Territories continuing to allocate places on a contestable basis to meet skills demand.

This new approach would retain the best features of a responsive local system while ensuring nationally consistent funding that all stakeholders can understand and respond sensibly to.

Continuing to operate a contestable funding system with a fixed subsidy price will ensure that the efficiency and responsiveness of providers will be encouraged and rewarded. The contestable system will be supported by the enhanced quality assurance regime set out in Chapter 3.

A National Skills Commission

At the core of the new system, the Review proposes the Commonwealth set up a new National Skills Commission with responsibility to consult on and agree course subsidy levels with the States and Territories, allocate Commonwealth funding to the States and Territories on agreed parameters, and monitor the performance and effectiveness of system funding on behalf of the Commonwealth.

The NSC would work with the States and Territories to determine and forecast labour market demand for skills across the country and would have the authority to agree with the States and Territories the distribution of Commonwealth subsidies across qualifications to meet labour market demand.

The States and Territories would decide on the distribution of subsidies to different qualifications within agreed parameters, but this would be at the agreed national price.

The NSC would also be responsible for the administration of all Commonwealth funding to VET on behalf of the Minister. It would bring greater co-ordination with the States' and Territories' training systems in the delivery of these programs, so that all stakeholders see a clear straightforward funding system for vocational education.

- 5.2 The Commonwealth to set up a National Skills Commission to work with the States and Territories on VET funding and administer all Commonwealth funding to the VET sector under strategic policy direction from the Minister.



It is proposed that the NSC would have direct oversight over a number of other bodies in the vocational education system. A proposed National Careers Institute (as discussed in Chapter 6) would be part of the NSC, which would also directly fund the SOs, as set out in Chapter 4.

Identifying workforce skills needs

A key task for the NSC would be to develop and maintain an independent and respected national picture of the Australian labour market and the country's skills needs, now and in the future.

Its role will be to marry together the Commonwealth's current labour market assessment capacity with the assessments undertaken at the State and Territory level and build a methodology that provides a consistent and agreed picture of skills needs at the national, state, territory and regional levels, as proposed by the OECD.¹⁵³

The NSC skills forecasts should provide short-, medium- and long-term projections and be broken down by industry and occupation. As well as bringing together the assessment of States and Territories, it should be informed by industry insights and perspectives. There should be regular consultation with SOs and peak industry bodies to ensure industry-specific skills needs are captured.

The NSC should report skills needs regularly, so there is a continuous cycle of consistently updating skills needed for changing labour market conditions.

The aim of the NSC's skills needs assessment function should be to become a trusted and authoritative source of skills demand information for both the Commonwealth and the States and Territories, with a reputation consistent with that of a body such as the Australian Bureau of Statistics (ABS).

- 5.3 The National Skills Commission to be made responsible for developing and updating clearly linked national, State and Territory level and regional skills demand forecasts with direct input from States, Territories, local jurisdictions and industries to assist all stakeholders to plan investment in the vocational education sector.

In order to ensure its effectiveness the NSC would need to bring together the full employment and skills forecasting resources currently located at the Department of Jobs and Small Business and the Department of Education and Training.

It would advise on skills and employment demand and forecasting across all related policy areas, including VET, higher education, employment services and skilled migration.

- 5.4 Skills demand resources currently located in the Department of Education and Training and the Department of Jobs and Small Business to be transferred into the National Skills Commission.

¹⁵³ OECD, *Getting Skills Right: Australia*.



Nationally consistent costings and subsidies

The NSC would have a central role in establishing a nationally consistent set of subsidy rates to use across all States and Territories. Agreed subsidy amounts across jurisdictions updated on a reliable schedule would give certainty to employers, students and RTOs, so that they could make informed decisions about undertaking and offering VET qualifications.

The New South Wales Government has done work that informs its Smart and Skilled program's subsidy rates and which was also part of calculating the VSL loan caps. The NSC could build on this work at the national level to develop a robust evidence base on average cost across all providers to underpin funding.

The NSC would undertake the activity-based costing exercise in partnership with the States, Territories and other stakeholders. These costs would take into account the type and level of course being delivered by an RTO in a fully competitive market. Public and private benefits from the course could also be considered to determine the public and private contributions.

- 5.5 The National Skills Commission be given responsibility for determining nationally consistent subsidy levels, in partnership with the States and Territories, based on averaged actual costs of delivery for providers nationwide.

From the costing exercise, the NSC would develop a set of subsidy amounts on a grouped qualification basis, similar to that which applies in the university sector. The number of groupings will be dependent on the costings, but it is worth noting that the higher education table has only eight groupings to cover all qualifications.¹⁵⁴

The costings are likely to identify funding differentials that cannot be captured within the national average. For example, the higher cost of delivering VET in rural and remote areas needs to be recognised, so that there continues to be high-quality and diverse training options offered in these markets. There may be other factors, such as training Aboriginal and Torres Strait Islander students that could result in a higher cost of training that should be recognised. In these cases a percentage national loading on top of the national subsidy amount should be paid on a per-student or enrolment basis.

- 5.6 Subsidy levels would be determined on a grouped qualification basis similar to the Commonwealth Grant Scheme and Student Contributions table used in the university sector. They would reflect the different cost structures that are required for different types of qualifications so that providers are not influenced by the funding system to provide a particular course or qualification beyond the demand for that course.

There should also be a list of nationally consistent percentage loadings to reflect differential costs for rural and remote areas and disadvantaged groups.

¹⁵⁴ Department of Education and Training 2018, *Total resourcing for a Commonwealth support place by discipline – 2019*, Canberra.



Over time, the NSC could also set the loan cap amount for VSL in concert with the States and Territories, to ensure that students are able to access sufficient funds to assist with the upfront costs of training. The experience with VSL is that the use of loan caps has seen a reduction in fees from the high levels under VET FEE-HELP, suggesting the caps could operate as a de-facto price control for the government-funded training system.

VSL should be extended over time to all RTOs approved for funding by a State or Territory. It would then be appropriate for the Commonwealth to delegate VSL auditing requirements to State Training Authorities to reduce the compliance costs for RTOs.

Extension of eligibility for VSL to qualifications at the certificate IV level could also be considered. The NSC would need to undertake further investigation to ensure extension of an income-contingent loan would be consistent with good fiscal strategy and set appropriate incentives for students, including consideration of management of bad debts.

A new national agreement

The Review recommends that the Commonwealth and the States and Territories agree to a new national agreement to serve as the foundation for inter-jurisdictional cooperation in the VET sector.

This would replace current arrangements under the NASWD, including arrangements under the Skilling Australians Fund (SAF), depending on the timing of implementation. All States and Territories would be encouraged to sign up to the scheme in the interests of a coherent and respected national VET sector.

The new agreement would include a set of agreed funding principles that guide the allocation of Commonwealth funding to the States and Territories and the administration of State and Territory training systems.

The funding principles should support the respective roles of the Commonwealth and the States and Territories, as described, for leading at the national and local levels. The principles should focus on delivering better outcomes and ensuring accountability and transparency for the new funding arrangements. The details of the principles would be developed by the Commonwealth and the States and Territories.

The new agreement would involve each of the Commonwealth and the States and Territories paying an agreed percentage tuition subsidy on a per-student, per-qualification basis, with the same subsidy payable to approved public and private providers. The percentage would be determined between the States and Territories and the Commonwealth. Agreeing a percentage contribution would address the concerns frequently raised about cost-shifting between the Commonwealth and the States and Territories.

The level of funding available for the VET sector will continue to be determined by respective governments. The amount governed by the new national agreement would need to be agreed in the negotiations.



Eligibility for the nationally consistent training subsidies under the new agreement would also need to be developed in more detail, and draw on the experience with funding contracts over the past few years. The same level of subsidy would be paid to all eligible providers regardless of their ownership.

States and Territories may prefer to keep paying additional block amounts to the State-owned TAFE system beyond the qualification subsidies, to reflect additional services provided by TAFEs or different cost structures. The Review proposes that this should be able to continue but that they be paid directly by the States and Territories as owners of the TAFEs. The Review understands that this may affect the amount of money States and Territories have available for the training subsidy program.

The Review proposes that the new agreement specify that the Commonwealth, States and Territories expand funding for VET in the longer term, so that student tuition subsidies are at an equivalent level to those applying to higher education. Students would then no longer have their study choices influenced by the higher upfront costs of undertaking VET in comparison with higher education.

5.7 The Commonwealth and the States and Territories would negotiate a new national agreement where the Commonwealth co-funds courses in each State and Territory according to the National Skills Commission's funding model. Courses in eligible public and private providers would be co-funded on the basis of an agreed standard percentage share between the Commonwealth and each State and Territory.

States and Territories could continue to provide additional support to their TAFE systems, over and above the tuition subsidies, in their roles as TAFE owners.

Monitoring and assessing the performance of the VET system

The NSC would draw on its expertise in skills demand data to perform the vital role of assessing how the VET system is meeting skills training needs across the country.

It would collect data on the actual delivery of training to determine if the training is meeting the skills demands identified by the States and Territories and would also examine outcomes on student and employer satisfaction. This would provide clear information to the Commonwealth, State and Territory governments, and hence to taxpayers, about the allocation of funds.

The NSC would also utilise RTO performance data from the Performance Information for VET, which was endorsed by the CISC. The information would be used to measure student outcomes and completions at RTOs. It would be provided to the States and Territories to assist them in their allocation decisions.

The NSC would also agree on a performance measurement framework with the States and Territories which it would use to report on the performance and outcomes of the VET sector. This would have shared objectives that would be regularly reviewed and updated as required.



- 5.8 The National Skills Commission to develop performance indicators using existing and future data sources to measure the outcomes and effectiveness of government investment in the VET sector, and to report that information to both the Commonwealth and the States and Territories.

Apprenticeships and traineeships

Difficulty in finding qualified candidates for jobs was a common frustration voiced by many employers and industry representatives. Many industries attribute the lack of candidates to the current decline in apprenticeships and traineeships.

In consultations, employers stated that apprenticeships and traineeships could be made more attractive if support services were consolidated and better targeted to the needs of employers and apprentices. The Australian Apprenticeships Incentives Program (AAIP) has been subject to multiple changes to the eligibility criteria and the incentives amounts, particularly for existing workers in 2012 and 2013.

This has resulted in the existing AAIP being complex for employers to navigate and understand. A simpler, more streamlined apprentice incentives program would provide better and more easily understood support to employers and their apprentices and trainees.

- 5.9 The Commonwealth to revamp and simplify its apprenticeships incentives program to make it more attractive to and more easily understood by apprentices and trainees and their employers.

The Department of Education and Training currently uses the NSNL to target Commonwealth funding for apprentices and trainees and their employers, including the AAIP and Trade Support Loans. The NSNL has not been updated since 2011 and is widely seen as out of date.

To ensure the Commonwealth's funding is clearly aligned with target occupations, a new National Skills Priority List for Apprentices (NSPLA) should be developed by the NSC in consultation with State and Territory Governments, to replace the existing NSNL. The new NSPLA will be underpinned by robust and objective methodology based on the NSC's labour market data. It is important that the new list includes not just occupations that are currently in shortage but also those that are forecast to have high demand in future years. The NSPLA would be updated annually.

A variety of skills needs and priority lists exist across different levels of government for different purposes; these include the skilled migration lists and the VSL Approved Course List. To improve the alignment of these lists, a single consultation process should be undertaken in an annual review led by the NSC.



- 5.10 The National Skills Commission to develop a new National Skills Priority List for Apprentices that captures occupations, including those in new and emerging industries and occupations supporting Government priorities. An annual consultation process should be undertaken to review the National Skills Priority List for Apprentices and align it with skills needs across the States and Territories.

The Commonwealth currently funds support services for apprentices and their employers through the AASN providers. AASN providers deliver services pre-commencement, including screening, testing and job-matching, and targeted in-training support to help individuals complete their apprenticeship. The Review heard feedback about the AASN providers duplicating services provided by the States and Territories and questions about the effectiveness and patchiness of performance of AASN providers. However, the Review also heard first-hand the passion of many AASN providers for the apprenticeship system.

As with many other parts of the VET system it is industry that is best placed to recruit and support their apprentices and employers. Industry organisations are naturally best placed to market and recruit for their industry. The GTO model has a stronger link to specific industries and appears to operate effectively in supporting employers. However, the introduction of SOs will establish fully industry driven bodies that can and should take on the role of the AASN providers. The SOs will be well placed to find suitable employers for apprentices, develop training plans in consultation with the apprentice and the employer, and provide support and education to both parties.

- 5.11 Skills Organisations to take on the role of the Australian Apprenticeships Support Network. Field staff for Skills Organisations would be best placed to recruit apprentices, find suitable employers for apprentices, develop training plans in consultation with the apprentice and the employer, and provide support and education to both parties.

It is not proposed that SOs take over funding for the RTOs providing block courses and tuition for apprentices and trainees, despite that occurring in some jurisdictions. This would remain the responsibility of States and Territories. However, SOs would be responsible for creating a positive, non-exclusive list of preferred RTOs that provide competitive options for training across Australia. The Commonwealth, States and Territories would take this advice into account when deciding the RTOs for funding through subsidies or loans.

- 5.12 Each Skills Organisation to develop a positive non-exclusive list of preferred Registered Training Organisations for their industry across Australia for use by employers to choose where they train their apprentices and trainees. The Commonwealth and States and Territories would take the list into account when determining providers for funding.



A life-long learning account

During the Review, many stakeholders noted the more favourable funding arrangements currently applying to higher education providers. The new funding arrangements, proposed above, and other changes proposed in this Review, will lift the VET sector so it can compete more effectively with higher education.

The Business Council of Australia (BCA) has proposed that the inconsistency between VET and higher education funding arrangements be overcome by setting up a life-long learning account that runs across both the higher education and VET systems. The account would entitle eligible people to a fixed amount of subsidised study that can be redeemed in either sector. To support the account there would be consistent funding arrangements across the two sectors for subsidies and loans. To support the account's introduction, the BCA proposes that a costing exercise and calculation of public and private benefits be undertaken for VET and higher education.

Specific consideration of funding arrangements in the higher education sector is outside the terms of this Review. However, the recommendations of this Review are designed to address many of the issues the BCA has identified. The Review also supports some of the building blocks proposed by the BCA, for example, the costing exercise and work on public and private benefits.

Implementation of the recommendations of this Review would lead to substantial progress in setting in place the conditions for a life-long learning account that governments could consider at a later date.

Additional support for VET in rural and remote Australia

Multiple submissions argued that there is a strong need to adapt or create policies to support rural and remote students engaged in VET. To address this, flexible and innovative delivery models need to be considered for these areas. One potential solution lies in the regional study hub model, which provides infrastructure and academic support for students studying via distance at partner universities.

The Review proposes that consideration be given to expanding or adapting this model for use by the vocational education sector. Institution-wide commitment and collaboration between VET providers, universities, external agencies and community networks have been shown to be crucial strategies for achieving high levels of participation and completion of further education for regional and rural students.¹⁵⁵ To ensure the model's viability, dedicated funding grants could be provided, in addition to the national rural and remote subsidy loading proposed earlier in this chapter. This would encourage RTOs to offer training through the regional study hubs, and would bring closer alignment with the additional funding offered to universities for the same purpose.

¹⁵⁵Lamb, Stephen, Quentin Maire, Anne Walstab, Graeme Newman, Esther Doecke and Merryn Davies 2018, *Improving participation and success in VET for disadvantaged learners*, Adelaide: NCVER.



A Regional Education Expert Advisory Group has been established to advise Government on the ongoing education and training needs of regional, rural and remote communities. One of the Advisory Group's issue papers¹⁵⁶ explores how to improve access, opportunity and choice in tertiary education for regional, rural and remote learners, including exploring the expansion of the regional study hub model.

5.13 The Commonwealth Government to expand the university-based regional study hub model to provide funding to VET providers to participate in regional study hubs.

¹⁵⁶ Department of Education and Training website, *National Regional, Rural and Remote Education Strategy*, last accessed on 26 March 2019, <https://www.education.gov.au/national-regional-rural-and-remote-education-strategy>.



6 Better careers information

Almost all stakeholders the Review spoke to agreed that one of the biggest gaps to be filled in the sector was the provision and marketing of timely, accurate and useful information that would help students and their families choose vocational pathways.

Most felt that the sector was perceived poorly relative to universities which were increasingly dominant in the minds of students and their families. For a number of reasons, they felt university had become the default post-school pathway despite the wide array of sometimes lucrative careers to be had as a result of vocational education.

Many stakeholders blamed what they saw as an inbuilt bias against vocational training in the school sector. Industry groups in particular were concerned that school teachers and career counsellors rarely had personal experience of the VET sector and tended to push all capable students towards higher education. It was suggested that many schools treat VET as a 'second-rate option' for low-performing students, rather than as a viable alternative pathway.¹⁵⁷ The Ai Group argued,

*There is a need to overhaul the provision of career education to students, parents and teachers. A VET pathway continues to be regarded as a second choice option by many.*¹⁵⁸

Stakeholders were concerned that students who would otherwise thrive in VET careers are being directed towards higher education options where they may not succeed.¹⁵⁹ They pointed to the significant drop-out rate of certain cohorts of first-year university students,¹⁶⁰ and felt that some Australians end up taking up a vocational career after completing a possibly unnecessary university degree.

The information available for adults considering formal skills training is also regarded as inadequate and unable to support older workers to overcome the additional barriers they face.¹⁶¹ The Business Council of Australia highlighted the difficulty of finding information that will assist good decision making by prospective students, not only for school students but also for those already in the workforce:

*The first problem is the approach potential learners take to making decisions about their future, and the lack of information available to help them make good decisions. This starts in schools with career counselling and the information we give young people, but is even more prevalent for adults in the labour force or looking for work, who struggle to find relevant and helpful information.*¹⁶²

¹⁵⁷ The Smith Family, Submission to the VET Review, p 11.

¹⁵⁸ Australian Industry Group, Submission to the VET Review, p 23-24.

¹⁵⁹ While university remains a good option for those with higher ATARs, the Grattan Institute's analysis suggests those with low ATARs are less likely complete, particularly if male. (Norton, Andrew and Ittma Cherastidham 2018, *Dropping out: the benefits and costs of trying university*, Grattan Institute, p 37.)

¹⁶⁰ For students who entered university in 2016 with an ATAR of 30-49 there was a 25 per cent attrition rate. For students who entered with an ATAR of 50-59 there was a 19 per cent attrition rate. (Department of Education and Training 2018, *Attrition, Retention and Success rates*, Canberra: Australian Government.)

¹⁶¹ Australian Human Rights Commission 2016, *Willing to Work: National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability*, Sydney: Australian Human Rights Commission.

¹⁶² Business Council of Australia, Submission to the VET Review, p 3.



To help re-position VET as a valued post-school destination, many stakeholders called for a new national campaign to promote VET careers. The Government's recent VET Information Strategy, and its tagline 'Real Skills for Real Careers', was viewed positively, although it was argued that a larger scale marketing campaign was needed to better promote VET careers.¹⁶³

The Australian Chamber of Commerce and Industry said, 'There is a need for a national communications strategy and a coordinated and well-funded campaign to promote apprenticeships and traineeships and the VET sector overall', and recommended 'at least \$10 million should be allocated to the Real Skills for Real Careers marketing strategy.'¹⁶⁴ The Minerals Council of Australia also called for 'a campaign to increase awareness and understanding of the offerings and [to establish] a stronger narrative on the broader post-secondary education eco-system.'¹⁶⁵ Importantly, the Council emphasised the likely success of such a campaign, when coupled with additional reforms addressing weaknesses of the current VET system.

A plethora of websites

In recent years, governments have worked to provide more information to prospective students about jobs and their related education and training pathways.

Australian government agencies, their State and Territory counterparts, and private organisations now publish a large amount of information about the labour market, future job projections, training pathways, and training providers across an assortment of distinct websites. The Productivity Commission has highlighted the 'burgeoning number of websites to assist people....carries with it the risk of a confusing maze of information.'¹⁶⁶

The Commonwealth's DJSB publishes information about career exploration and jobs on the Job Outlook website, providing careers and labour market information in regions across Australia. It also provides the Labour Market Information Portal, linking DJSB's employment projections with online vacancy reports and ABS labour force regions data; and Job Jumpstart, offering a 'single source' of information for young people wanting career and job search information. From July 2019, the Job Outlook website will also feature a new Skills Transferability Tool, which will use a new skills and jobs data engine to provide an interactive tool to help source job opportunities specifically tailored to the skills of the individual. The Commonwealth's and States' and Territories' My Future website also offers career exploration and information for school students.

¹⁶³ Australian Chamber of Commerce and Industry, Submission to the VET Review; Mineral Council of Australia, Submission to the VET Review; Naval Shipbuilding, Submission to the VET Review; Restaurant and Catering, Submission to the VET Review; National Apprentice Employment Network, Submission to the VET Review; Australasian Railway Association, Submission to the VET Review; Year 13, Submission to the VET Review.

¹⁶⁴ Australian Chamber of Commerce and Industry, Submission to the VET Review, p 26.

¹⁶⁵ Mineral Council of Australia, Submission to the VET Review, p 11.

¹⁶⁶ Productivity Commission, Shifting the Dial: 5 Year Productivity Review, Report No. 84, p 116.



The Department of Education and Training supports a separate set of dedicated websites for information about VET and higher education, including My Skills, which provides a national directory of VET providers and courses; the Australian Apprenticeships Pathways website, offering an information hub about apprenticeships and traineeships for students and employers; Quality Indicators for Learning and Teaching, providing graduate outcomes of higher education institutions; and Course Seeker, providing information about higher education entry requirements and admissions processes (maintained by the Tertiary Admissions Centres).

Many States and Territories also have their own websites with careers guidance, labour market information and education and training options. For example, the New South Wales Skills Portal website provides information about labour market trends across a range of occupations, by regional areas, and links to job advertisements; and Victoria's Skills Gateway allows students to search and compare occupations, courses and providers, and its 'Career Switch' tool allows users to identify a new career or role that builds on the skills they already have.

A number of private organisations publish skills and careers advice. Skills Road is an initiative of the New South Wales Business Chamber that aims to provide a 'one-stop-shop' for young Australians to navigate the career planning process and transition from school to further study or work. The site offers personal quizzes and job information to school students and 'mutually beneficial recruitment products and services' for its business members. SEEK has also expanded its job search website to include dedicated websites with careers information and selective training options.

Students and employers still struggle for information

Although a great deal of information is published, it is fragmented across different websites, is not always complete and is difficult to navigate.¹⁶⁷ Stakeholders continue to report that it is difficult to find reliable information. Information about occupations and the local labour market is separated from information on VET courses and providers, which is separated again from higher education options.

There is also poor interaction between related websites, with the Commonwealth's employment and career advice websites linking students through to the private Good Universities Guide for information about VET courses, rather than the Government's My Skills website. This creates additional complexity for users and limits consumers' ability to make well-informed choices.¹⁶⁸

It is unsurprising that school students struggle to find clear and accurate information about the VET sector.¹⁶⁹ When prospective students are unable to find the information they need, they are less likely to make good choices about post-secondary study options, including which course and which provider.

¹⁶⁷ Ai Group, Submission to the VET Review; Business Council of Australia, Submission to the VET Review; Tasmania Government, Submission to the VET Review p 3.

¹⁶⁸ Productivity Commission, *Shifting the Dial: 5 Year Productivity Review*, Report No. 84, p 81–119.

¹⁶⁹ Gore, Ellis, Fray, Smith, Lloyd, Berrigan, Lyell, Weaver and Holmes, *Choosing VET: investigating the VET aspirations of school students* p 4; Hargreaves, Jo and Kristen Osborne 2017, *Choosing VET: aspirations, intentions and choice*, Adelaide: NCVER, p 8.



Research has consistently found that teachers and families have a significant influence over students' career aspirations and study plans.¹⁷⁰ In the student survey conducted by the Review, students reported they rely heavily on their school teachers, peers and parents for guidance. Of the young people surveyed, 47 per cent relied on careers expos for VET information and 40 per cent on their teachers.¹⁷¹ Mission Australia's 2016 Youth Survey found 52 per cent cited a teacher as influencing their post-school plans, while 83 per cent cited parents as influencing their post-school plans.¹⁷²

If the advice schools provide to their students is indeed weighted towards universities, this may be heightening distortions caused by funding incentives towards university and the influence of large university marketing budgets. The Grattan Institute has observed that 'university is now the default post-school activity for many young people',¹⁷³ with 67 per cent of young people planning to go to university, compared with 14 per cent intending to go to TAFE or another RTO, and 9 per cent intending to pursue an apprenticeship.¹⁷⁴

It also appears that even when students do aspire to a VET career, large numbers of them intend to pursue (or are pursuing) the wrong type of qualification.¹⁷⁵ The Review's survey results suggested many students' career aspirations were not aligned with their educational plan, which could leave them overqualified (for example, the 45 per cent intending to complete a bachelor level degree, when they actually need a certificate) or underqualified (for example, the 33 per cent intending to pursue a VET pathway when they need a bachelor degree).¹⁷⁶

Figure 6.1: Misalignment between job aspiration and educational intention¹⁷⁷

Maximum level of education completed, doing, or planned for the next 3 years.

	High School	Certificate/ Apprenticeship/ Diploma	Bachelors+	Sample size
<i>Education needed for 10 year aspirational job</i>				
Bachelors+	8%	33%	59%	1,350 (100%)
Certificates+	11%	44%	45%	571 (100%)
No specific education	26%	49%	26%	239 (100%)

underqualified
overqualified

View the text alternative for [Figure 6.1](#).

¹⁷⁰ Hargreaves and Osborne, *Choosing VET: aspirations, intentions and choice*; Bailey V., Baker, A-M., Cave, L., Fildes, J., Perrens, B., Plummer, J. and Wearing, A. 2016, *Mission Australia's 2016 Youth Survey Report*, Mission Australia.

¹⁷¹ Qualtrics, *Vocational Education & Training Research Report February 2019*, unpublished.

¹⁷² Bailey, Baker, Cave, Fildes, Perrens, Plummer and Wearing, *Mission Australia's 2016 Youth Survey Report*, p 18.

¹⁷³ Norton and Cherastidham, *Dropping out: the benefits and costs of trying university*, p 37.

¹⁷⁴ Carlisle, E., Fildes, J., Hall, S., Hicking, V., Perrens, B. and Plummer, J. 2018, *Youth Survey Report 2018*, Mission Australia, p 18.

¹⁷⁵ Hargreaves and Osborne, *Choosing VET: aspirations, intentions and choice*.

¹⁷⁶ Qualtrics, *Vocational Education & Training Research Report February 2019*, unpublished, p 13.

¹⁷⁷ Qualtrics, *Vocational Education & Training Research Report February 2019*, unpublished, p 13.



Previous research identified a poor alignment between occupational aspiration and intended educational pathway, with only approximately two-thirds of Year 12 students who aspire to a VET career intending to pursue a VET pathway.¹⁷⁸ This misalignment is more pronounced for those interested in VET careers as opposed to higher education,¹⁷⁹ and suggests that students are not, in practice, able to access the information they need to make good decisions. The impact of this can be considerable, resulting in unnecessary investment in education by individuals, a poor use of taxpayer dollars in course subsidies, and weaker matching of skills with labour market demand.

Creating a National Careers Institute

After considering all the submissions, the results of its consultations and the currently available resources, the Review has concluded that Australia would benefit from a major simplification and strengthening of careers information, particularly in relation to vocational education. The Review therefore recommends that the Commonwealth create a body to be the single, authoritative source of information spanning careers education on post-school pathways through VET, higher education and other training, labour market data, and training pathways and their employment outcomes.

- 6.1 The Commonwealth to set up and fund a National Careers Institute to provide a single, authoritative government source of careers information, with a particular focus on marketing and promoting vocational careers.

The new National Careers Institute (NCI) would initially draw together existing Commonwealth resources and information platforms from across Commonwealth departments. It would have a particular mandate to market and promote vocational careers in order to acknowledge the information deficit that currently exists in the vocational education sector.

The Institute would be tasked to provide prospective learners with four key pieces of information to assist their career and education choices: the likely demand for a particular career, the qualification(s) required to enter that career, the average cost and length of different training options to achieve that qualification, and the likely income to be earned both immediately and in subsequent years once the qualification is achieved.

A key performance objective for the NCI would be to reduce the mismatch between students' study choices and their desired career choice and increase the use of direct pathways into their desired occupation.

- 6.2 The National Careers Institute to be charged with collating and publishing accurate and reliable information on careers and qualification pathways, including demand forecasts for individual occupations, training information and likely income levels.

¹⁷⁸ Gore, Ellis, Fray, Smith, Lloyd, Berrigan, Lyell, Weaver and Holmes, *Choosing VET: investigating the VET aspirations of school students*, p 4.

¹⁷⁹ Gore, Ellis, Fray, Smith, Lloyd, Berrigan, Lyell, Weaver and Holmes, *Choosing VET: investigating the VET aspirations of school students*; Hargreaves and Osborne, *Choosing VET: aspirations, intentions and choice*.



To avoid duplication of resources, the NCI should be set up as a separate independent office within the NSC and utilise the national, state and territory, and local skill demand information collected by the NSC as one of the key information sources for its work.

The Institute's independence is important to ensure it is completely stakeholder focused and consumer oriented to the exclusion of other considerations. Its independence will enhance its status as an authoritative source of careers information.

6.3 The National Careers Institute to be established as an independent office within the National Skills Commission and utilise the skills demand information collected and analysed by the National Skills Commission.

For the NCI to be successful, it must take over responsibility for all of the Commonwealth's current websites and resources designed to assist with career choices, including in particular those operated by DET and DJSB. If not, the Institute will be just another voice to add to the noise that currently exists.

It is critical that prospective students and apprentices have a single source of truth for data on skills needs, training options and employment outcomes. By consolidating existing Commonwealth data, and improving linkages between administrative data sets, the Government can build a leading and comprehensive source of information that all stakeholders can rely upon for information about careers.

6.4 All current information services dealing with career choices and related matters provided by the Commonwealth to be included in the National Careers Institute and resources to be transferred accordingly.

An important part of the Institute's responsibilities would be to provide unimpeachable, accurate information on incomes flowing from different qualifications, using actual income data. A linked dataset between Australian Taxation Office data, Department of Human Services income support data and student data would allow this information to be collated and published for different qualifications and careers. This would considerably improve the accuracy of information available to people about the likely financial rewards of their career decisions. While expected income is not the sole determinant of career choices, providing accurate, lived data will help properly inform the decisions students, apprentices and their families make.

6.5 The National Careers Institute to use a linked data set incorporating Australian Taxation Office and Department of Human Services data on outcomes flowing from different qualifications and publish that information annually.

The NCI's powerful data set should underpin an improved suite of communication products about careers, the labour market, and education and training in Australia. To further improve accessibility, a user-friendly mobile app should be created that allows young people to easily scroll through industries, career pathways and training options that interest them.



- 6.6 A single Commonwealth website, an app service, and other communication tools providing information on the main careers in Australia to be provided by the Commonwealth through the National Careers Institute.

The Government should allow third parties to access this central data under licensing arrangements, with clear acknowledgement of the data source, to ensure information published about VET in Australia is built on consistent data.

- 6.7 The information provided by the National Careers Institute on its website and app be made available for licensing to other public and private operators on a consistent use basis and full acknowledgement of the data source (using a 'powered by' acknowledgement or similar).

To ensure a richer data set and complete end-to-end information, consideration should also be given to requiring RTOs to provide their mandated public course information, as proposed by the Braithwaite review of the *National Vocational Education and Training Regulator Act 2011* (recommendation 16),¹⁸⁰ to the NCI via an application programming interface so it can be published alongside the aggregate information. While it is not intended that the primary role of the Institute be to promote individual courses at individual RTOs, it would be useful for students to have directly comparable end-to-end information. It would also help to ensure averaged course cost information for courses and qualifications would be up-to-date at all times.

- 6.8 Consideration be given to mandating that course information, as recommended by the review of the *National Vocational Education and Training Regulator Act 2011*, be available for publication by the National Careers Institute to assist with providing end-to-end careers information to prospective students and trainees.

A national campaign to promote VET careers

As discussed, the status of vocational education needs a major upgrade if it is to play its part in effectively meeting the skills needs of Australia. A range of issues have seen it falling behind the more expensive university sector. At the same time, the demand for faster work-based training options is increasing.

Therefore, as well as the Institute's other functions, the Review recommends that the Commonwealth Government instruct and fund the NCI to undertake a multi-year national marketing campaign to promote vocational education and lift the reputation of VET careers across Australia.

¹⁸⁰ Braithwaite, *All eyes on quality: Review of the National Vocational Education and Training Regulator Act 2011*, p 83.



Significant investment in a national marketing campaign would complement the role of the new NCI, and support the VET sector in competing against the marketing power of better resourced universities.¹⁸¹ It would also provide an opportunity to highlight the suite of other reforms that will improve the quality of the sector.

The Review recommends that the NCI also take over responsibility for the VET Information Strategy as part of this marketing program.

6.9 The National Careers Institute to be funded to undertake a major multi-year public marketing campaign to lift the reputation and attractiveness of VET careers across Australia.

A marketing and recruitment role for Skills Organisations

While promotion of skills education as a modern, work-based alternative to university is necessary, it will not be sufficient on its own to market the range of careers available via a vocational education pathway, nor will it solve all the skills shortages.

It is hugely important to promote individual industries and careers since that is ultimately what prospective students or apprentices sign up for.

With marketing pitches like 'come to X university' or 'get an apprenticeship', the post-school education sector is often guilty of selling the seats on the plane rather than the destination. And yet the VET sector in particular is well set up for destination marketing, given that its qualifications lead to identified jobs and careers.

It is also important that the voice of each industry is heard in the marketing to students. It is the participants in each industry – the companies, the workers and the peak bodies – who are most passionate and authentic about that industry. They are best placed to persuade new people to come into the industry.

Industries are also at the sharp end of skills shortages. The Review heard from industries as diverse as railway, defence, construction, cyber security and the disability sector that have large and immediate needs for more workers.

It is hard for businesses from each industry to organise to perform that marketing role at a national or State and Territory level. Industries are normally a collection of large and small companies. Those that are large enough perform their own recruitment marketing to the extent that they immediately require it, while the smaller ones lack the resources and time. No individual company has the time to co-ordinate and market consistently to prospective entrants to an industry right across Australia.

¹⁸¹ In 2017, Australian universities spent a combined total of approx. \$325 million on advertising, marketing and promotional expenses. Department of Education and Training 2018, *Finance 2017: Financial Reports of Higher Education Providers*, Canberra: Australian Government, p 23.



Skills Organisations are the logical entities to take up this responsibility. Structured as recommended by the Review, they will have the training responsibility and reach to provide an end-to-end marketing campaign for their particular industry. They will design the product (qualifications), arrange the training (endorse RTOs), and sign up and manage apprentices and trainees. By being funded on an activity basis, they will be incentivised to grow their apprentice cohorts. And, because they exist only as a result of industry endorsement, they will be responsive to industry needs.

In New Zealand, industry training bodies take responsibility for developing advertising material to promote their occupations and marketing to students. For example, the Building and Construction Industry Training Organisation's functions include both managing apprenticeships in building and construction, and promoting this career pathway to prospective students. Representatives attend careers expos and visit schools, and the organisation's [recent 'trade up' advertisement](#) demonstrates how effective industry-led marketing campaigns can be.

The Review therefore recommends that the responsibilities of SOs include developing publicity material for their occupations, and promoting and marketing these pathways to prospective students and trainees. This should include engaging with schools to provide educational opportunities about these vocations.

6.10 Skills Organisations to be mandated to market their industry and its qualification pathways to prospective apprentices and students in order to meet workforce needs.

The costs of marketing would be partially funded by the Commonwealth Government through its per-trainee funding of SOs, while businesses would contribute through their training fees. It is appropriate that SOs receive a bundled income stream since they will be in the best position to, for example, prioritise qualification development or marketing according to their industry's priorities.



7 Clearer secondary school pathways

Secondary schools across Australia have been offering VET to students for decades, providing a pathway into the VET sector and improving students' engagement with school.

The Review was told about (and saw) some great examples of schools developing opportunities for their students to complete VET certificates with high quality trainers and facilities, delivered in close collaboration with local industry. For example, the Southern Cross Catholic Vocational College in Burwood, Sydney; the Australian Industry Trade College in South East Queensland; and the Edward John Eyre High School in Whyalla were all highlighted as providing high-quality VET pathways to their students.

However, alongside examples of success, the Review frequently heard concerns about the quality and outcomes of VET delivered to secondary students. In particular, many stakeholders argued that many school students' VET certificates are not valued by industry and therefore do not provide a pathway to a job.

Approaches vary in different States and Territories

Over the last decade, States and Territories have lifted the school leaving age to try to increase the number of students completing Year 12 and/or successfully transitioning to further education, training and work.¹⁸²

While the school-leaving age varies between 15 and 17 across Australia, all States and Territories require young people to participate in schooling (or an approved equivalent) to Year 10, and then participate in full-time education, training or employment until age 17.¹⁸³ This has resulted in a more diverse senior student cohort in schools with a range of post-secondary plans. In response, secondary schools have increased their VET offerings, with approximately 82 per cent of secondary schools now offering VET courses in Years 11 and 12.¹⁸⁴

Secondary student enrolments in VET increased significantly from 2006 to 2012 and have since fallen back slightly.

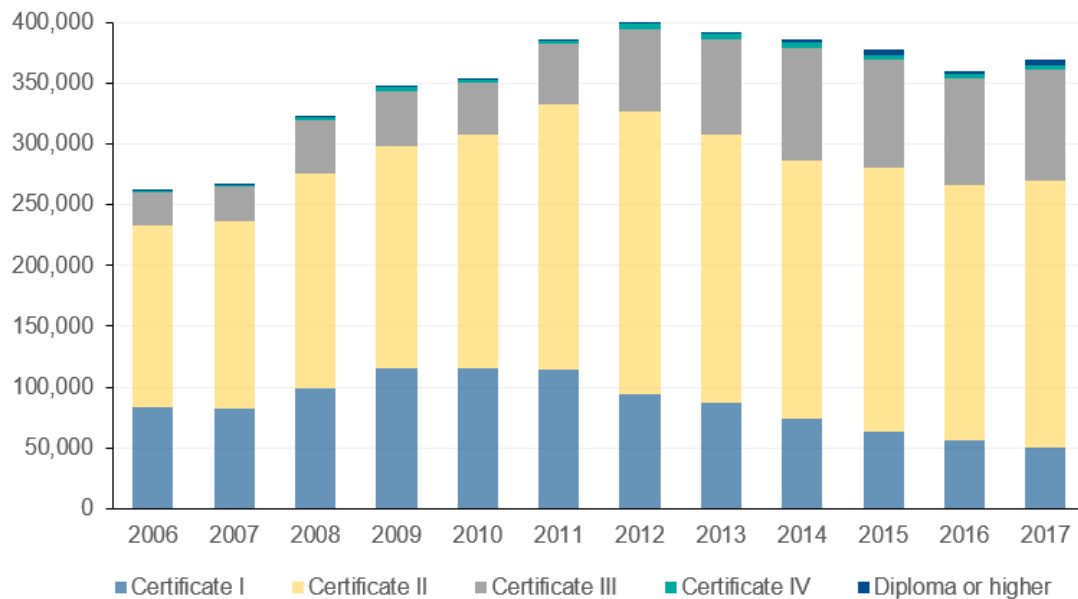
¹⁸² COAG Education Council 2014, *Preparing Secondary Students for Work: A framework for vocational learning and VET delivered to secondary students*, Canberra: Australian Government, p 14.

¹⁸³ COAG Education Council, (2009) *Communique – 30 April 2009*.

¹⁸⁴ Australian Curriculum, Assessment and Reporting Authority, *My School 2016 data collection*.



Figure 7.1: Secondary student enrolments in VET, by AQF level, 2006–2017¹⁸⁵



View the text alternative for [Figure 7.1](#).

In 2017, 370,776 school students or 28 per cent of all secondary school students aged 15 to 19, enrolled in a VET unit.¹⁸⁶ Of those, 242,144 students were undertaking VET study as part of their senior secondary certificate of education, including 19,960 who participated in an Australian School-based Apprenticeship (ASbA).¹⁸⁷

An ASbA involves a student commencing an Australian Apprenticeship part-time while at school, combining paid employment, vocational training (through an employer-chosen RTO), and senior secondary school studies. State legislation sets out the number of hours a school-based apprentice needs to be employed per week, with the requirements differing between States and Territories.

Other enrolments may include middle-years students studying foundational VET (that is, at certificate I level) to learn more about an industry and to prepare them for higher VET qualifications in senior secondary levels,¹⁸⁸ or senior students completing higher level qualifications (for example, certificate II or III) as a course counting towards their senior secondary school certificate.

Some students complete just a few units of a VET qualification, offering them a taste of whether that industry or style of training suits them, or providing particular skills to prepare them for a part-time job (for example, a short barista course).

¹⁸⁵ NCVER 2017, *National VET in Schools Collection* (accessed via VOCSTATS).

¹⁸⁶ NCVER, *National VET in Schools Collection*, (accessed via VOCSTATS). Figures are based on program enrolments.

¹⁸⁷ NCVER, *National VET in Schools Collection*, (accessed via VOCSTATS). Figures are based on total student counts.

¹⁸⁸ Clarke, Kira 2014, *Entry to vocations: building the foundations for successful transitions*, Adelaide: NCVER.



However, during consultations the Review was told some students may be graduating from school with as many as ten VET qualifications, suggesting a lack of rigour in those cases, or in the hours of training being provided.

To improve consistency, States and Territories have agreed to some common elements for VET delivered to secondary students. All VET that provides credit towards a senior certificate must be drawn from nationally recognised training packages or accredited courses, be delivered and/or assessed by RTOs that are compliant with the VET Quality Framework, and be assessed within a competency-based assessment framework by assessors who comply with VET standards.¹⁸⁹

While the same national VET Quality Framework applies to all VET, the approach towards quality assurance varies in practice between States and Territories, and different approaches are taken towards overseeing regulation. Of the 340 active school RTOs that ASQA is aware of, 297 are currently regulated by the Queensland Curriculum and Assessment Authority (QCAA) as a delegate for ASQA in Queensland schools. ASQA had undertaken audit activities in relation to 23 school RTOs in Australia since 2011, including two that are QCAA delegates.

Other non-RTO schools may directly deliver VET to their students under auspicing contracts with external RTOs. The degree of regulatory oversight of these arrangements is unclear. While this Review was being conducted, ASQA made the decision to cancel the registration of (or refused to re-register) two RTOs in Western Australia that deliver significant volumes of training to secondary school students in the state. It is apparent to the Review that inconsistent approaches towards quality assurance may have the potential to damage public confidence in VET delivered to secondary students at some point.

Funding arrangements and delivery requirements vary in different States and Territories. Some states prefer external RTOs to deliver VET to school students, while others have supported their schools to become registered training providers themselves. Some States' curriculum authorities have developed specialised VET courses for inclusion in secondary school certificates and had them accredited by the state regulator, while others rely more heavily on nationally recognised VET qualifications. Some States provide dedicated funding to support schools to deliver VET programs to their students, while other schools may have access to State Training Authorities' funding subsidies and/or charge additional fees to students.

Unsurprisingly, participation rates and the type of VET students are accessing vary in different States and Territories. For example, in Queensland 31 per cent of students enrolled in VET, with 6 per cent attaining a full VET certificate; in New South Wales 27 per cent enrolled in VET with 21 per cent attaining a certificate; and in Victoria 16 per cent enrolled in VET with 8 per cent attaining a certificate.¹⁹⁰

¹⁸⁹ Australasian Curriculum, Assessment and Certification Authorities 2017, *Vocational Education and Training in Senior Secondary Certificates of Education*, Sydney: NSW Education Standards Authority.

¹⁹⁰ Lamb, Stephen, Jen Jackson, Anne Walstab and Shuyan Huo 2015, *Educational opportunity in Australia 2015: Who succeeds and who misses out*, Centre for International Research on Education Systems, Vitoria University for the Mitchell Institute, Melbourne: Mitchell Institute p 44.

Note: the definition of VET delivered to secondary students may vary between different jurisdictions.



Lack of data on the effectiveness of VET delivered to secondary students

Unfortunately, the Review had only a limited opportunity to assess the outcomes of different VET approaches in schools or to track the post-secondary outcomes of participants. This makes it difficult to determine whether VET in schools is achieving its objectives, and whether the different approaches taken are more or less effective. The USI has only recently been introduced for school students enrolled in VET and this will, over time, provide a more accurate picture of the type of VET being accessed, including qualification completions (rather than just enrolments).

Currently, the NCVER's Graduate Outcomes Survey is not extended to secondary students enrolled in VET. As such, information is not nationally collected about VET students' motivations for enrolling, their satisfaction with the course or their outcomes.

More broadly, there is no nationwide student identifier mechanism for tracking the subsequent pathways and outcomes for all secondary students. This prevents governments from comparing the post-school outcomes for those who participate in VET as part of their secondary schooling and those who do not.

The Longitudinal Surveys of Australian Youth project tracks the pathways for a group of students, but the sample size becomes too small to draw robust conclusions when broken down by students' backgrounds, achievement levels, and experiences with VET and other tertiary pathways. Some States and Territories also track students' post-school destinations, but this is not occurring in all jurisdictions.

To allow governments to successfully evaluate the effectiveness of different senior secondary pathways, the Commonwealth, in partnership with the States and Territories, should accelerate the introduction of a student identifier for all school students, or another mechanism for better tracking student destinations. This analysis would also benefit from the improvements to linkages between education and Australian Taxation Office (ATO) datasets, as outlined in Chapter 6.

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| 7.1 | A student identifier (or similar mechanism) to be introduced for all secondary school students to allow governments to research students' subsequent education/training and employment pathways and outcomes. |
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Some school VET certificates not valued by employers

The Review was informed by many stakeholders that some of the certificates school students are completing are not meeting industry's needs and do not provide a pathway to a job. In particular, employers are not confident that graduates of certificate IIIs and some certificate IIs delivered in schools have the skills and competencies the qualifications denote and are therefore not ready for the workplace.

*Students are often leaving school with qualifications but lacking in understanding and comprehension of the application of these skills.*¹⁹¹

*The VET in Schools model is high risk in some cases as the school environment cannot provide the workplace context required to meet industry training package requirements.*¹⁹²

This could translate into poor outcomes for students, particularly those aiming to transition directly into employment. The Smith Family commented:

*Currently, [VET in schools] does not offer adequate pathways into secure, quality, sustainable employment once students finish their courses and leave secondary school. This is because the qualifications typically undertaken by school students do not provide sufficient training or skills to meet the needs and expectations of industry and employers.*¹⁹³

Some employers told the Review they will not employ any school-leavers with a level III certificate because they don't believe the students will have the skills and competencies at the level of the certificate. In other situations, employers are reluctant to take on an apprentice who already has a low-level VET certificate (such as a certificate II obtained through a pre-apprenticeship program) as industrial relations arrangements may require them to pay the prospective apprentice more than a school leaver without the lower qualifications, and yet they don't have the skills or work experience to enter at that level.

Employers and industry representatives told the Review there are some circumstances in which school-leavers find themselves less employable as a result of obtaining their school-level VET certificate. Clearly, there needs to be closer scrutiny of the type of VET that is being delivered to secondary students to ensure it is providing the reliable pathway into jobs that any reasonable observer would expect.

A clear purpose for VET in schools

There is considerable debate about the objectives of VET for secondary students. Industry groups emphasised the importance of secondary school VET pathways in attracting people towards VET careers and encouraging them to pursue further training after school. They see VET in schools as an opportunity for young people to take the first step towards a vocationally based career.

¹⁹¹ Queensland Tourism Industry Council, Submission to the VET Review, p 3.

¹⁹² Future Now, Submission to the VET Review, p 1.

¹⁹³ The Smith Family, Submission to the VET Review, p 7.



On the other hand, schools and educationalists highlight the role VET can play more generally in encouraging more students to stay in school and complete Year 12, possibly building their academic and technical capabilities at the same time. With the focus on lifting Year 12 retention rates in the past decade, it seems VET has been particularly used to better engage some students who are less academically inclined, with less regard for their future career.

However, with a focus on 'student engagement' comes the risk that some schools treat VET programs as a 'dumping ground' for less capable students. Treating VET as a 'second-rate' option can signal to students that these careers are 'low-skilled' and less prestigious. This runs counter to any push to ensure a skills education pathway is an alternative but equally valid pathway as a university pathway. It also runs counter to the view of industry groups, which focus on the need for highly capable and motivated school-leavers, with strong applied mathematics and technology skills for VET-related careers in trades, cyber security, advanced manufacturing and the mining industry.¹⁹⁴

Linked to this, VET pathways frequently seem to struggle to hold their place alongside the academic pathways to universities. Specifically, the pursuit of high Australian Tertiary Admission Ranks (ATARs) appears to dominate most schools' efforts, particularly in the eastern states. This overt university focus does a disservice to many students by not helping them seek pathways to vocationally-based careers.

Improving VET pathways in school

Creating pathways through the traditional curriculum

An important way to improve vocational pathways in schools is to use straightforward tools to help contextualise the traditional school curriculum and make it more relevant to students interested in a vocational career. This needs to start in the early secondary school years to reduce the likelihood of disengagement for students who aren't enthusiastic about a university pathway.

In particular, work can be done to help students understand how traditional secondary school subjects can form a pathway into different broad vocational fields. Clusters of subjects can be identified that can support students to build a coherent study-plan that prepares them for a range of related careers in a field.

For example, for a student interested in construction or engineering fields, the relevant pathway would guide them to selecting a range of mathematics subjects along with some vocational technology subjects. This vocational pathway would support them to build knowledge and skills that would be relevant to them, regardless of whether they choose to go on to enrol in a university engineering degree or take up an apprenticeship in carpentry.

In New Zealand, senior year students are supported in navigating their options of further study, training and employment through six 'Vocational Pathways': construction and infrastructure; manufacturing and technology; primary industries; service industries; social and community; and creative technologies.

¹⁹⁴ Minerals Council of Australia, Submission to the VET Review; Apprenticeships Employment Network Tasmania, Submission to the VET Review.



Students interested in a career in trades, technology or industry can use the clear, colour-coded Vocational Pathways to identify and plan study options, and develop a path to workplace-relevant vocational qualifications. Careers advice material for students is built around these six pathways, helping students navigate their education and career options. Industry involvement in the process ensures that the Vocational Pathways focus on the types of skills and experiences that workplaces care about.

In Australia, the career 'Bullseye' posters have long been a feature on the walls of many secondary schools, linking students' interests in particular school subjects (there are 32 distinct charts) to a range of related occupations, sorted by different skill levels.¹⁹⁵ These posters can be a useful first step for helping students identify jobs that may interest them. However, a simpler pathway approach is needed to help students to connect together a series of different traditional school subjects to their preferred broad field of interest.

Introduction of a vocational pathway approach in Australia, similar to that of New Zealand, would help school students understand how each State and Territory's senior secondary curriculum can be used to prepare for future career interests. This approach would benefit all students, but would fill a particular information gap for students interested in VET careers.

- 7.2 The National Careers Institute to work with the States and Territories to develop a series of simple vocational pathways linking secondary school subjects in the national curriculum, and the senior secondary curriculum in each State or Territory, to encourage young people to study school subjects in pathways that interest them in Years 9 to 12.

Improving VET delivery in schools

The Review is strongly of the opinion that the most important purpose of delivering VET qualifications in secondary school must be to offer students clear pathways towards VET careers. Keeping students engaged is also important, but students stay engaged only if there is a clear purpose to their learning. Students are entitled to believe that VET qualifications lead to VET careers.

Without locking students into a particular occupation too early, VET courses should clearly help progress them towards careers related to the field in which they are interested. If they don't, the school system is placing itself at risk of disappointing students and families of students who quite reasonably believe that to be the case.

- 7.3 The Commonwealth and the States and Territories to agree that all programs of VET delivered to secondary school students be designed to offer students clear pathways to actual vocational careers.

¹⁹⁵ For examples, see Australian Government 2013, *Bullseye career information: School subjects you like & the jobs they can lead to* at https://docs.education.gov.au/system/files/doc/other/2013_-_bullseye_booklet_update.pdf.



Secondly, it is important that schools are incentivised to consider vocational pathways to be of equal value to a university pathway in terms of student outcomes, and the chosen pathway should depend on the vocational aspirations of each student.

On one level this should be obvious, but in some settings it will represent a big cultural change. It is, however, at least as successful for a school to transition a student into a trade apprenticeship as it is to direct them towards a general undergraduate degree at university, and measurements of school performance need to reflect that. Successful European VET systems clearly value VET pathways for secondary students as much as university pathways. To ensure a strong work-based vocational education system, Australia needs to do the same.

Ensuring high quality VET in schools

There are some excellent examples of VET delivered in schools to a very high standard. The Review also heard of examples where delivery has been to a questionable standard. The Review heard calls for greater restrictions on schools from registering as training providers and/or delivering training to students themselves.

It is important that all courses held out as VET qualifications in school settings actually are national courses with qualifications registered to the AQF, so that students receive truly portable nationally-recognised qualifications.

7.4 VET in schools programs to only deliver qualifications registered to the Australian Qualifications Framework that will be recognised as valid and robust by industry once the student graduates.

Rather than suggesting that all school-based RTOs should be prohibited in favour of quality-assured industry RTOs, the Review considers there needs to be closer oversight of how some school-based RTOs are complying with the quality framework and regulation.

Currently different jurisdictions take different approaches towards assuring the quality of VET delivered by school-based RTOs. This makes it difficult to defend schools from criticisms of low-quality training, beyond the regulator's scrutiny.

To ensure that VET in schools is regulated to a standard equivalent to all other VET, it is important that ASQA and the two state regulators are active in regulating all RTOs, including school-based RTOs, against the VET Quality Framework. This is an important step towards building employer confidence in the value of VET certificates achieved by school students and maintaining student confidence in the validity of their school-based VET pathways.

7.5 The Australian Skills Quality Authority and the two state regulators ensure their regulatory activity equally applies to all Registered Training Organisations delivering VET to secondary students.



While there is likely to remain a role for high-quality school-based RTOs, particularly those that provide a hub model for a number of contributing schools, more schools should engage with external RTOs for the delivery of training to secondary students. This would be particularly suitable for schools that aren't able to provide the necessary training facilities and industry-experienced trainers. It also relieves such schools from the additional regulatory burden of being a RTO and subject to ASQA auditing requirements.

Clear and consistent funding arrangements

Current funding arrangements for VET delivered to secondary students are opaque and differ in each State and Territory. The Review heard that the different approaches to delivering VET to school students are often driven by the availability or non-availability of additional operational funding to provide VET in schools programs.

The Review heard that most mainstream school funding was used to deliver the core school curriculum and that VET activity was an extra. We were advised, for example, that some schools delivered VET in schools themselves because they couldn't afford to purchase enrolments with outside RTOs.

As part of the effort to lift the standard of VET delivered to secondary students, greater analysis and transparency about the funding arrangements currently in place are needed. There should be a clearer picture about the level of investment being made in different jurisdictions and an understanding of how this translates into quality outcomes.

The NSC should work with the States and Territories to compare VET in schools funding models and should consider the costs and appropriate funding levels for VET delivered to secondary students, across both school-based and external RTOs.

7.6 The National Skills Commission to compare VET in schools funding models and recommend national cost and funding models for delivering VET to secondary students.

Once that work has been completed, the CISC should consider setting up an activity-based co-funding model for VET in schools to ensure equivalent access to VET in schools nationwide, with the NSC performing a role similar to that envisaged for the VET sector more generally.

7.7 The Commonwealth and States and Territories consider setting up a new national funding agreement for co-funding VET in schools provision over time, with pricing to be determined by the National Skills Commission and the fund to be administered by State and Territory Training Authorities in partnership with the Commonwealth.



Strengthening industry linkages to VET in schools

Employer groups told the Review that they doubted whether school students were engaging in enough training in some qualifications to truly develop the competencies they required. It was suggested that clearer requirements – such as about the length or setting of the training – were needed to improve confidence in the system.

The creation of SOs provides businesses with a vehicle to set out clearly their expectations of training, through the qualification development process. This can include SOs identifying a benchmark number of hours of training and/or work placement hours for entry-level workers (or 'new entrants' into the industry), as outlined in Chapter 4.

Benchmark hours would provide strong guidance to schools and RTOs about the expectations for training for secondary students, this cohort of students being probably the most typical group of 'new entrants'. Since they will rarely have previous training or work experience in the field, any arguments for more flexible or shorter delivery options are not compelling in a school setting.

Clear guidance from SOs about the requirements for delivery to students will help ensure employers' trust in school-based VET qualifications. It will also help ensure that the courses of vocational education delivered to secondary students are meaningful programs of study.

The Review heard some debate about whether certificate III level courses (and above), in particular, were suitable for delivery to school students. This should be a consideration for SOs in their development of qualifications. SOs might want to identify certain qualifications as not being suitable for delivery to secondary students, for example if there are significant concerns about whether school students are realistically able to achieve the necessary level of employability skills that is required.

Some jurisdictions are considering allowing their senior school certificate to be completed over a longer period to ensure students have sufficient time to complete all the requirements of VET qualifications. These changes might help support students to engage in all the necessary technical and work-based training.

Alternatively, such students may be better served if they enrol in a suitable TAFE or private provider to complete their senior certificate alongside a VET qualification, rather than remain in school. It may be that few schools are genuinely able to offer both strong academic programs and high-quality vocational pathways. States and Territories should further explore whether there are barriers that prevent more students from enrolling in dedicated VET institutions during their senior schooling years.



Skills Organisations to assist schools

The quality and relevance of VET delivered to secondary students can be further improved by strengthening the role of industry in advising and endorsing the work of schools. Strong relationships need to be developed and maintained between schools, business partners, community groups and training providers to ensure VET programs are suitable and preparing students for jobs.¹⁹⁶

In dual systems such as Denmark and Germany, there are enduring links between schools and local businesses, formally constituted as social partners in legislation.¹⁹⁷ The Swiss too have a successful model for pathways connecting schools and workplaces.

In Australia, trying to manage these complex relationships with local employers places considerable strain on schools. At the same time, peak industry bodies have voiced concerns about the shortage of young people entering their fields.¹⁹⁸ Clearly, both school leadership and industry would benefit from improving how schools and industry can engage with each other.

The new SOs would be well placed to be a focal point for industry engagement with schools. They should be empowered to take on a range of support functions, including advising about suitable qualifications, endorsing high-quality RTOs for delivery of VET and providing wider vocational careers advice to students.

7.8 Skills Organisations to take on responsibility for strengthening the links between schools and industry, including:

- specifying benchmark training hours and any required work placement hours in entry-level qualifications to ensure all provision, including to secondary students, clearly meets the needs of employers for entry-level workers,
- endorsing Registered Training Organisations for use by schools for Australian School-based Apprenticeships and other VET qualifications,
- brokering relationships with employers to secure work placements and Australian School-based Apprenticeship opportunities for students,
- engaging with schools to improve the quality of careers advice and VET information offered to students, and
- marketing their industry to school students at schools and careers expos.

¹⁹⁶ Polesel, John, Mary Leahy, Suzanne Rice, Shelley Gillis and Kira Clarke 2017, "What if you're not going to university? Improving senior secondary education for young Australians" in *Educating Australia: Challenges for the decade ahead*, edited by Tom Bentley and Glenn Savage, p 177-190, Melbourne: Melbourne University Publishing; Clarke, *Entry to vocations: building the foundations for successful transitions*.

¹⁹⁷ Polesel, Leahy, Rice, Gillis and Clarke, "What if you're not going to university? Improving senior secondary education for young Australians".

¹⁹⁸ For example, Australasian Railway Association, Submission to the VET Review.



8 Greater access for disadvantaged Australians

Much has been written about changes to the nature of work as digital technologies and automation replace or alter many jobs. The exact degree of potential disruption will continue to be debated, but there is little doubt that the rate of change in work roles that we have seen in the last several decades will accelerate.

There is likely to be growth for example in roles that require interactions with technology, and relatively less need for those based on physical labour. This risks a skills mismatch of a significant scale. Successful participation in society more generally also requires a reasonably well developed level of language, literacy, numeracy and digital (LLND) skills.

It is critically important that every Australian has the basic LLND skills that will allow them to participate fully in modern life. The vocational education sector has a huge role to play in ensuring that all Australians have at least those minimum skills.

Participants in the Review spoke positively about the role VET plays in providing a second chance for those that have low levels of educational achievement. Many people noted that the VET sector offers a broad range of courses and delivery modes to meet the needs of very diverse types of users.

This is important because at times such as this when there is close to full employment in some states, most people with the requisite skills to enter into certificate III or above courses are already in employment.

In Tasmania, Queensland and the Northern Territory, the Review was informed that many adults' low LLND skills constituted a barrier, preventing them from engaging with either work or further education.

There are also many adults currently in work around Australia whose low levels of literacy and numeracy will leave them vulnerable if the nature of their job changes.

The size of the challenge

The OECD's 2012 Program for the International Assessment of Adult Competencies (PIAAC) Survey of Adult Skills found adults in Australia show above-average proficiency in literacy compared with other participating countries and around average proficiency in numeracy.¹⁹⁹

¹⁹⁹ In literacy proficiency among adults, Australia ranked fifth, behind only Japan, Finland, Netherlands and Sweden. For numeracy proficiency, Australia was ranked 13 (out of 22). (OECD 2012, *Country Note Australia, Survey of Adult Skills First Results*).



While these results are encouraging, they mean that 13 per cent of Australia's working-age population (about two million people) have literacy levels below Level 2, that is, below the level required to meet basic demands of modern work and life.²⁰⁰ Further, 20 per cent have numeracy levels below Level 2. These levels map across to Level 2 in the Australian Core Skills Framework (ACSF), which is Australia's tool for describing individuals' performance in the five core skills of learning, reading, writing, oral communication and numeracy.²⁰¹

People with low levels of literacy and numeracy are less likely to be employed²⁰² or more likely to be employed in low-skilled insecure work and at greater risk of redundancy. Australia's Reading Writing Hotline received calls from over 3,800 people seeking support in 2016.²⁰³ Of callers between 2012 and 2016, 56 per cent were employed at the time.²⁰⁴

Like literacy and numeracy, a lack of basic digital skills also poses a significant barrier to a growing number of jobs. The Committee for Economic Development of Australia has argued that digital skills are becoming 'a new basic skillset in the way reading and writing are today, and should be a core component of ongoing workplace skills development.'²⁰⁵

Low levels of basic literacy and numeracy skills among existing employees also affect businesses' productivity. In the Australian Industry Group's (Ai Group) 2018 Workforce Development Needs Survey, 99 per cent of employers reported that low levels of literacy and numeracy had an impact on their business (with 39 per cent reporting their business was 'highly affected').²⁰⁶ In its submission to the Review, Ai Group explained:

*Poor literacy and numeracy have a negative impact on productivity, labour mobility and the capacity of the economy to achieve the higher levels of skills needed for the increasingly knowledge-based economy. There remains an urgent need to address the language, literacy and numeracy needs of the Australian workforce.*²⁰⁷

²⁰⁰ Tasks at Level 2 Literacy require respondents to make matches between the text and information, and may require paraphrasing or low-level inferences. Tasks at Level 2 Numeracy require the application of two or more steps or processes involving calculation with whole numbers and common decimals, percentages and fractions; simple measurement and spatial representation; estimation; and interpretation of relatively simple data and statistics in texts, tables and graphs.

²⁰¹ Department of Education and Training 2012, *Australian Core Skills Framework*, at https://docs.education.gov.au/system/files/doc/other/acsf_document.pdf.

²⁰² OECD, *Survey of Adults Skills, First Results*.

Note: The Survey of Adult Skills was conducted in Australia from October 2011 to March 2012, and surveyed a total of 7430 adults aged 16–65.

²⁰³ Reading Writing Hotline website, *Evaluation Findings – Reading Writing Hotline*, accessed 28 February 2019. <https://www.readingwritinghotline.edu.au/2016/11/27/evaluation-findings/>.

²⁰⁴ Reading Writing Hotline, "National snap shows more Australian men are seeking literacy," 8 September 2016. <https://www.readingwritinghotline.edu.au/wp-content/uploads/2017/11/RWH-Oct-16-MR-National-snapshot-.pdf>.

²⁰⁵ Committee for Economic Development of Australia, *Australia's Future Workforce*, p 162.

²⁰⁶ The Australian Industry Group 2018, *Workforce Development Needs: Survey Report 2018*, p 4.

²⁰⁷ Australian Industry Group, Submission to the VET Review, p 29.



Support currently available for LLND skills

The States and Territories all provide some level of support for foundational skills development, but program design, subsidy level, eligibility criteria and the applicability of student fees varies widely across jurisdictions, as it does in other areas of vocational education. This creates problems similar to those in other parts of the VET sector, leaving learners and employers confused about where to go to access assistance.

New South Wales, for example, provides relatively highly-subsidised training for language, literacy and numeracy (LLN) and foundational skills up to certificate III for Australian citizens living or working in New South Wales who are aged over 15 and no longer in school.²⁰⁸ Fee-free scholarships are also provided to some individuals.

Tasmania's 26TEN program is a ten year strategy involving business, community groups, government, education and training providers, and individuals to build LLN skills; it is implemented through small grants to businesses and community groups to build skills in literacy, numeracy and communication.

The Commonwealth offers dedicated programs to provide foundation skills training to certain cohorts. The Adult Migrant English Program (AMEP) provides up to 510 hours of English language tuition to eligible migrants and humanitarian entrants to help them learn foundation English language and skills to support their social and economic participation in Australian society.

Similarly, the Skills for Education and Employment Program provides language, literacy and numeracy training to eligible job seekers to support them in participating in training or employment. Both of these programs are delivered in metropolitan, regional and remote areas across Australia.

The Commonwealth does not, however, generally offer this level of targeted support for employed Australians or those currently out of the workforce and not registered with Job Active providers for income support. Some support is offered to 45 to 70 year olds who are at risk of losing their job through the Commonwealth's Skills Checkpoint Program, which provides up to \$2,200 to eligible participants to fund suitable training.

During consultations, stakeholders pointed out the inefficiency of waiting until vulnerable groups became unemployed before intervening to provide access to LLND training. Clearly, interventions that build people's employability and productivity *before* they become redundant are in the best interests of government, employers and the affected individuals alike.

Evidence also suggests that the most effective way to build foundational skills in adults is in the workplace, where people can readily see how the skills improve their work performance. This mode of delivery reduces the stigma adults may perceive to be associated with low literacy skills and does not create additional demands on people's time outside of work.

²⁰⁸ Eligibility for these subsidised places is also extended to permanent residents, humanitarian visa holders and New Zealand citizens.



Widening the gateway to work

Given the importance of foundation skills for both employment and social engagement, the Government should prioritise additional funding to improve access to LLND training.

A lack of foundation skills clearly limits the quality of life and employment opportunities for a significant group of Australians, and it is likely to leave them particularly vulnerable to future changes to work.

It makes sense that one of the key ways to share the benefits of a strong and growing 21st century economy is to ensure every adult Australian is given the opportunity to participate fully in that economy. Making such a commitment will improve social cohesion and ensure every Australian gets an opportunity to succeed.

This Review therefore proposes that all adult Australians who have not achieved Level 2 on the ACSF should be given with access to fee-free training in LLND skills.

- 8.1 The Commonwealth and the States and Territories to commit, over time, to supporting fee-free foundation-level education for all Australians who need training to bring their language, literacy, numeracy and digital literacy levels up to Level 2 in the Australian Core Skills Framework.

The Commonwealth should work with the States and Territories to develop a new national agreement for foundational LLND skills. The agreement should set out a shared 50/50 commitment to fully subsidise foundational skills for all Australian adults without basic skills, over time, regardless of their employment status. The governments would agree to a volume of provision, and that the program be demand-driven, based on students' needs.

A funding guarantee for LLND would signal the Government's commitment to supporting all Australians to build the skills they need for work and life.

- 8.2 The Commonwealth to work with the States and Territories to develop a new national agreement for foundation skills to deliver consistent levels of access across Australia to language, literacy, numeracy and digital literacy courses for adult Australians who do not have language, literacy, numeracy and digital literacy levels up to Level 2 in the Australian Core Skills Framework.

The new national agreement should support existing foundation skills provision by current RTOs plus new specialised LLND training that is tailored to meet the needs of adults, drawing on relevant units from the Foundation Skills Training Package. The new program should have two streams, one delivering training in the workplace and the other a more intensive, provider-based delivery model for people with particularly low skill levels.



The work-based LLND stream would involve training providers delivering LLND training at work-sites. Employers could be involved in the design of the training activities and materials so they can be customised to meet their particular industry and workplace needs. Given the benefits that also flow to employers through improved productivity, the program should include co-investment from the participating business. Training should be flexibly integrated into the normal work day to reduce the barriers employed adults face in finding additional time and to reduce any associated stigma.

The provider-based (classroom) stream would provide an alternative for those able to participate in more intensive program of training. This would be modelled on the successful AMEP program for new migrants and be directed to cohorts that are currently out of the workforce.

RTOs could be contracted to offer fully subsidised places for face-to-face training in foundational LLND skills, with the curriculum designed to meet the needs of adult learners. The Government may wish to consider whether additional wrap-around services should be funded to help disadvantaged cohorts engage with LLND training outside a work environment. This might include integrating the training delivery with additional health or childcare services.

8.3 The new national agreement for foundation skills to expressly provide for the three main delivery models for language, literacy, numeracy and digital literacy training across Australia:

- standard Registered Training Organisation delivery of foundation-level VET courses,
- intensive literacy and numeracy short courses (like the Adult Migrant English Program), and
- dedicated workplace-delivered language, literacy, numeracy and digital skills programs in partnership between employers and Registered Training Organisations.

To support the roll-out of the training, the Commonwealth should develop a new online adaptive foundation skills assessment tool (FSAT) that would be used to assess participants' skill levels (including below Level 1) before and after training, to support ongoing evaluation of Australia's LLND capability.

8.4 The Commonwealth to fund the development of an online language, literacy, numeracy and digital literacy assessment tool for use by educators across Australia to assess language, literacy, numeracy and digital literacy standards for individual learners and independently assess improvements as a result of funded language, literacy, numeracy and digital literacy courses.

In both streams, participants would need to complete the FSAT tool at the beginning and end of the program, or at regular intervals for participants engaging in training over a longer period, and the employer or RTO would be required to share data on the training provided and the outcomes to the Commonwealth.



Improving outcomes for Aboriginal and Torres Strait Islander Peoples and disadvantaged Australians

The Review heard about additional challenges Aboriginal and Torres Strait Islander Peoples face when engaging with vocational education, particularly in rural and remote areas. While access may not be a significant problem for all Indigenous Australians, many do not complete their qualification or are not able to convert their training into strong employment outcomes.

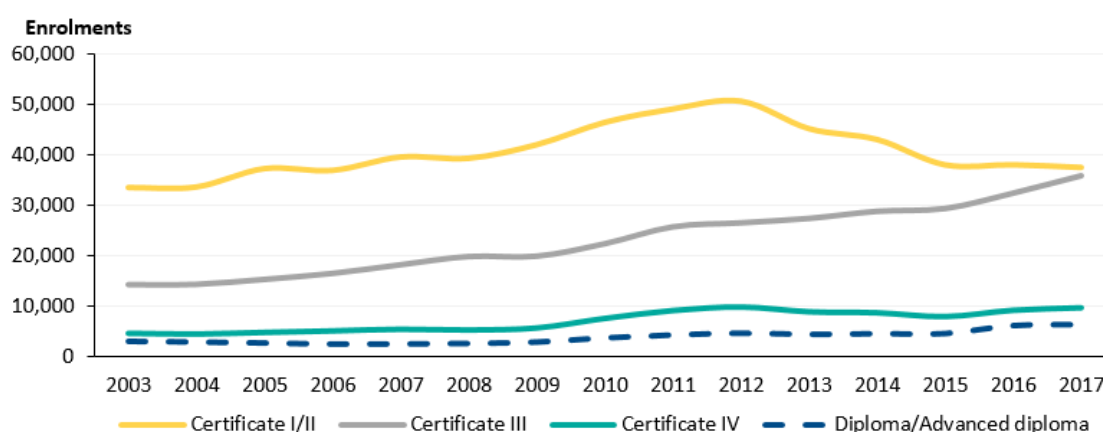
A range of factors were raised as explanations for these poorer outcomes, among them low levels of basic literacy and numeracy, which can present a barrier to engaging with higher level VET, and training methods that are not tailored to meet the needs of some Indigenous Australian learners, particularly in remote areas.

High levels of access to VET but poorer outcomes

Indigenous Australians are more likely than non-Indigenous Australians to participate in VET. This includes starting with higher levels of engagement with VET as part of their secondary school studies.²⁰⁹ However, as Figure 8.1 shows, Indigenous people are more likely to be enrolled in lower level courses.

Figure 8.1: Indigenous and non-Indigenous government-funded enrolments by AQF, 2003–17²¹⁰

Indigenous



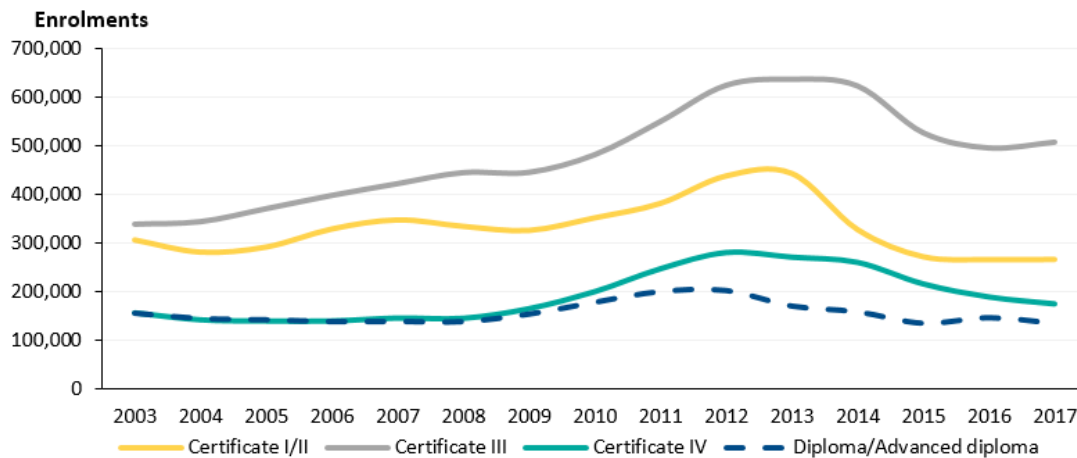
View the text alternative for [Figure 8.1 Indigenous](#).

²⁰⁹ In 2015, 18.8 per cent of 15 to 19 year old Indigenous students participated in VET in Schools, compared with 15.9 per cent for non-Indigenous students (NCVER 2017, *Indigenous VET participation, completion and employment outcomes: infographic*).

²¹⁰ NCVER 2018, National VET Provider Collection (accessed via VOCSTATS).



Non-Indigenous



View the text alternative for [Figure 8.1 Non-Indigenous](#).

The higher rates of enrolment in lower level qualifications suggest Indigenous Australians are pursuing training that provides support for basic LLND skills. Unfortunately, however, Australia does not assess the literacy and numeracy skills of its adult population at a national level beyond the OECD PIAAC survey, which is conducted at ten-year intervals and does not provide information about Indigenous Australians. These lower level qualifications are often a necessary passport to more employment-enhancing qualifications but do not provide a strong pathway into jobs on their own.

It is important that supports are in place to support Indigenous Australians (and other disadvantaged cohorts) to successfully progress from foundation-level to higher level VET qualifications. As well as providing better access to jobs, higher level VET qualifications provide an important pathway that can support disadvantaged Australians in transitioning to higher education.²¹¹

NCVER data also show that, despite stronger participation, qualification completion rates and employment outcomes for Indigenous learners remain below those of non-Indigenous students.²¹² While estimated VET completion rates for Indigenous Australians have been improving in recent years, there remains a significant gap between Indigenous and non-Indigenous Australians (25 per cent compared with 39 per cent, for actual completions in 2014).²¹³

²¹¹ Tabatha Griffin 2014, *Disadvantaged learners and VET to higher education transitions*, Adelaide: NCVER.

²¹² 73.2 per cent of Indigenous graduates were employed after training in 2018, below the 77.4 per cent recorded for non-Indigenous students. In part, this figure relates to students' employment status prior to commencing training (NCVER, *VET Student outcomes 2018*).

²¹³ NCVER 2018, *Australian vocational education and training statistics: VET program completion rates 2016*, Adelaide: NCVER. Note, the *projected* program completion rate for government-funded Indigenous students is projected to lift to 35.7 per cent for students commencing in 2016, compared to 50.6 per cent for government-funded non-Indigenous students.



Indigenous VET graduates are also less likely to be employed than non-Indigenous graduates, with the difference particularly marked in rural, remote and very remote regions.²¹⁴

More culturally relevant learning opportunities

Improving completion rates for courses and qualifications requires learners to be fully engaged in their learning. The Review heard concerns from Indigenous Australian stakeholders about the suitability and effectiveness of some of the training being provided to Indigenous learners. Some noted that the style of teaching and learning often did not align with students' interests, upbringing or experiences.

Research by NCVER suggests that Indigenous students are more successful when they are taught by local trainers and are able to engage in their learning on country and in their own language.²¹⁵ This was supported by views heard during consultations and by experience in other countries with significant indigenous populations, including New Zealand.

Accordingly, to improve outcomes, there needs to be a program that expands the pool of Indigenous-owned-and-led training organisations that can more easily provide the cultural setting and learning style that helps Indigenous learners succeed.

8.5 The Commonwealth to support the development of more quality Indigenous-owned-and-led Registered Training Organisations to provide more Indigenous learners with the option of foundation and vocational training in an Indigenous cultural setting.

There is also a need to improve the outcomes for Indigenous Australian learners at other training organisations, including TAFEs and universities. The proposed new funding agreement between the Commonwealth and the States and Territories provides an opportunity to measure provider performance as part of the activity-based funding model. To encourage non-Indigenous providers to provide culturally relevant learning experiences for Indigenous learners within their wider institutions, governments should measure the outcomes for Indigenous students at each funded provider and, over time, move to a requirement for achieving equivalent outcomes for Indigenous and non-Indigenous Australians.

8.6 The Commonwealth and the States and Territories to specifically measure levels of enrolment, progress and outcomes for Indigenous learners at relevant funded Registered Training Organisations as part of a new Commonwealth-State vocational education funding agreement.

²¹⁴ NCVER, *VET Student Outcomes 2018*.

Note: Proportion of graduates in employment six months after completing their studies. As noted above, this data is affected by the employment status of students prior to commencing training.

²¹⁵ Guenther, John, Melodie Bat, Anne Stephens, Janet Skewes, Bob Boughton, Frances Williamson, Sandra Woollorton, Melissa Marshall and Anna Dwyer 2017, *Enhancing training advantage for remote Aboriginal and Torres Strait Islander learners*, Adelaide: NCVER.



Better coordination of social support services is needed

One of the biggest challenges to achieving successful outcomes with disadvantaged groups is the high rate of attrition in attendance as a result of other factors such as health, housing, transport and family issues.

The Review heard that successful VET delivery and outcomes for disadvantaged groups often rely on providing intensive, wrap-around social support services alongside the training to support continued attendance in enrolled courses.

Funding for social services beyond vocational education falls outside the direct scope of this Review. However, a clear message from providers who deliver training in Indigenous communities and communities with high levels of disadvantage was their frustration with the sheer number (upwards of 100) of well-intended but different Commonwealth and State and Territory funding programs they had to comb through in order to provide help to a particular person with a particular issue that was affecting their participation in training. The time taken to find, access and administer such programs contributed significantly to making the provision of vocational training to such groups almost completely uneconomic.

Consideration should be given to combining different State and Territory and Commonwealth funding and services to improve both the efficiency and the effectiveness of service delivery.

There are a number of new funding models that delegate social support funding amounts in bulk to community-based non-government organisations so that they can structure bespoke support to individuals and families based on their particular needs. Vocational providers we spoke to felt that those models would be very beneficial in assisting them in their work.

- | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>8.7 New funding models to be developed to provide flexible wrap-around social support services in communities where there is high disadvantage so that vocational educators do not have to search through myriad targeted funding programs to find additional support to keep their learners engaged.</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



9 A roadmap to stronger skills education

The recommendations of this Review provide a strategic direction and a six point plan to build a stronger skills education sector in Australia. In making the recommendations contained in this report, the Review aims to address the systemic issues that are holding the sector back, give the system architecture a significant upgrade, and allow industries and RTOs to get on with training their students and trainees well.

These reforms would create a skilled education sector that adapts more rapidly to the changing needs of Australian industry and provides better employment outcomes for many more Australians.

This chapter provides a roadmap for implementing the plan, and for building a trusted, dynamic, and adaptive VET sector in Australia.

By 2025, the VET sector should be a highly regarded pathway for students seeking applied training for a range of careers, and for employees seeking to upskill or transition to new occupations. Industry will have a central role in the sector, which will ensure students gain relevant skills and a direct pathway to employment.

The success of these reforms will be dependent on the Commonwealth, State and Territory governments, employer groups, training and other service providers working closely together to achieve the new plan for skills education. It requires strong and effective regulation, data-sharing, new agreed national standards and performance monitoring, industry leadership and buy-in, and a new relationship between the Commonwealth and the States and Territories.

Figure 9.1 provides a roadmap which outlines the main steps to a future VET system.

Early actions for the Commonwealth

There are several first actions that can be taken quickly by the Australian Government and which will have an immediate positive impact on those participating in the VET sector.

These include implementing reforms to strengthen ASQA and quality assurance in the sector and piloting a new business-led model of Skills Organisations for qualification development in areas like digital technologies, where there is significant work to be done.

The Commonwealth should establish a new National Skills Commission to start work with the States and Territories on developing a new nationally consistent funding model based on a shared understanding of skills needs. It should also revamp and simplify apprenticeship incentives to increase their attractiveness to employers and trainees.

A new National Careers Institute can be created to provide a single source of careers information, and a marketing campaign for VET careers. The Institute could also start working with the States and Territories to create new vocational pathways for use in secondary schools.

Finally, the Government can provide new support for second chance learners needing foundation language, literacy, numeracy and digital skills.



Working together to strengthen VET

The Review is very conscious that the vocational education system in Australia is shared between the Commonwealth and the States and Territories. Many of the 71 recommendations would require the agreement of the two levels of government. The Review recommends the Commonwealth, States and Territories meet early to develop an agreed vision and a strategic plan which addresses all the recommendations over the next five to six years.

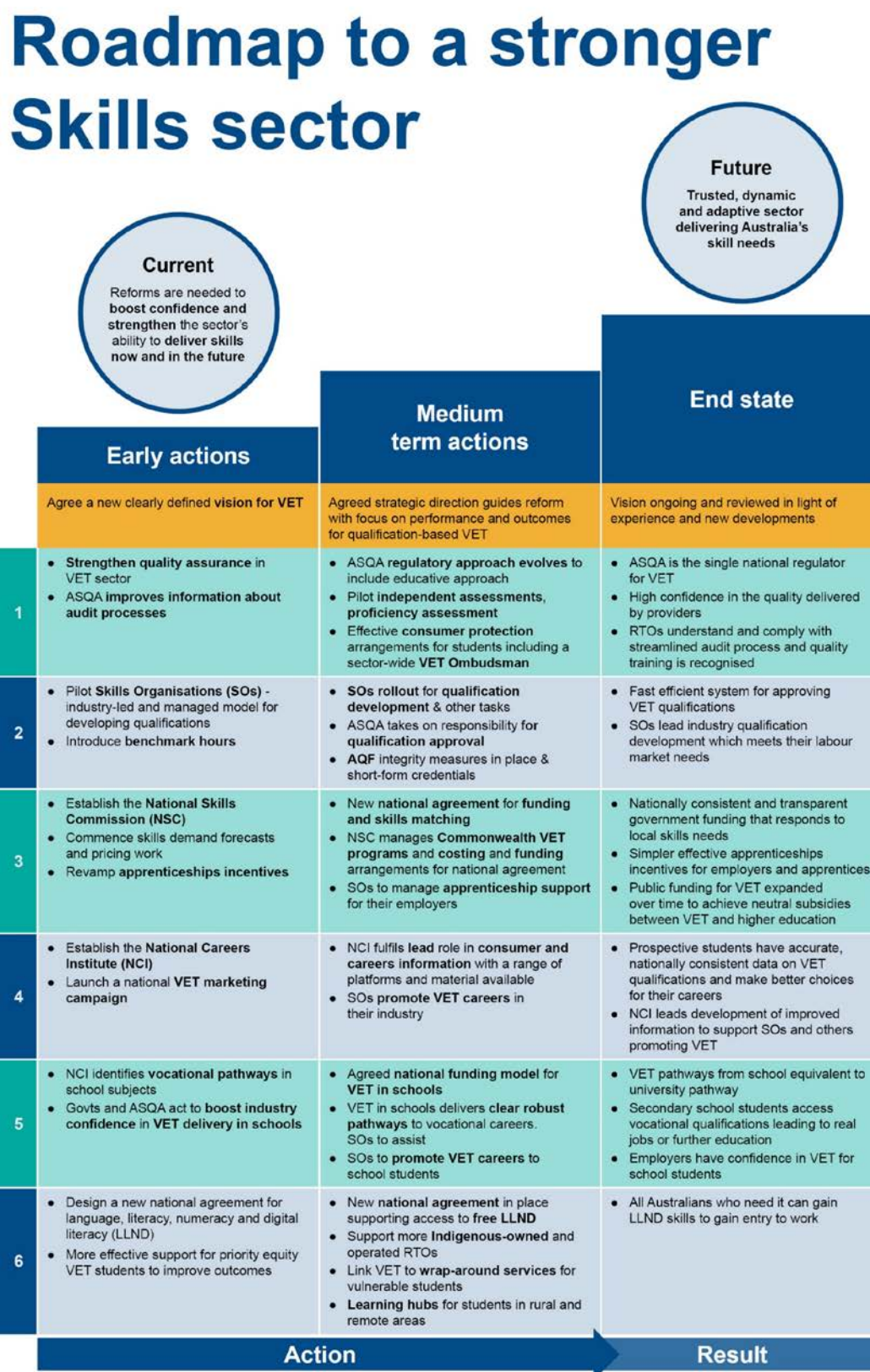
The reforms would be underpinned by a new national agreement to reset the relationship between the Commonwealth and States and Territories. It would promote high levels of partnership and collaboration while ensuring public funding delivers effective skills education in a simpler, accountable and transparent way across jurisdictions.

Establishing a new national agreement would result in a shared vision about the value of the VET sector and an increased joint investment in VET over time to ensure the sector responds to priority skills needs.

Consistent with clearer roles and responsibilities, the new agreement would have a clearly defined framework for joint funding and reporting. It would require negotiations with all jurisdictions to agree a framework for implementing the reform program. The Commonwealth and States and Territories should begin discussions as soon as possible.



Figure 9.1

View the text alternative for [Figure 9.1](#).



The new architecture

Australian Skills Quality Authority

ASQA would be the single national regulator of the VET sector, working to ensure quality across the sector. It would have a strong relationship with other regulators and Commonwealth, State and Territory funding bodies with streamlined reporting and auditing processes. ASQA's role would include:

- Regulation of training providers and courses, including VET delivered in schools, to ensure nationally approved quality standards are met. This may include assessing against benchmark hours and using independent re-assessments as part of determining the quality of training provision.
- Providing guidance and education to the VET sector about its regulatory activities, including making audit reports public.
- Approving accredited courses and qualifications for listing on training.gov.au.
- Leading the development of qualifications for industries where there is no responsible SO.
- Auditing providers to assess compliance with the new tuition protection arrangements.
- Ranking providers on the quality of their educational offering and management.

National Skills Commission

Under the direction of the Commonwealth Skills Minister, the NSC would be a trusted and respected voice on the operation of the Australian VET system through its national leadership in assessing labour market demand, costs of training delivery and outcomes of VET qualifications.

The key functions of the NSC would be to:

- Administer all Commonwealth funding to the skills education sector under strategic policy direction from the Minister.
- Develop and update national, state-level and regional skills demand forecasts in partnership with State, Territory and local governments.
- Determine nationally consistent subsidy levels for qualifications based on average actual costs of delivery across providers nationwide.
- Determine nationally consistent subsidy loadings for rural and remote learners, Indigenous Australians and disadvantaged groups.
- Co-fund tuition subsidies across Australia on behalf of the Commonwealth, in partnership with the States and Territories.
- Develop and monitor performance indicators using existing and future data sources to measure the outcomes and effectiveness of public investment in the sector.



- Develop a new National Skills Priority List for Apprentices that captures new and emerging industries supporting Government priorities. This would involve an annual consultation process with industry and the States and Territories to review the list.
- Compare VET in schools funding models and recommend national cost and funding models for delivering VET to secondary students. Over time, the NSC would oversee a new agreement for co-funding VET in schools and determine the pricing model and amounts.
- Manage a new national agreement and funding for foundation skills to ensure consistent levels of access to language, literacy, numeracy and digital literacy courses for all eligible adult Australians.

National Careers Institute

The NCI would be established as an independent office within the NSC. Utilising data collated and analysed by the NSC, its key role would be to provide an authoritative single government source of careers information, with a focus on marketing and promoting vocational careers. The key functions of the NCI would include to:

- Collate and publish accurate and reliable information on careers and qualification pathways, including demand forecasts for individual occupations, training information and likely income levels.
- Use a linked dataset incorporating ATO and Department of Human Services data to provide actual average incomes flowing from different qualifications and publish that information annually.
- Develop a single Commonwealth website and app (as well as other targeted communication tools) providing information on careers in Australia to guide and inform student choice.
- Drive the use of quality and evidence-based information in all public promotion of careers by licensing its data and information to other public and private operators on a consistent use basis.
- Draw on the mandated course information provided by RTOs to develop end-to-end careers information to prospective students and trainees.
- Undertake a multi-year marketing campaign to help lift the reputation and attractiveness of VET courses across Australia.
- Develop a set of Vocational Pathways, in partnership with States and Territories, linking secondary school subjects in the national curriculum and the senior secondary curriculum in each State and Territory to encourage young people to study in pathways to careers that interest them.



Skills Organisations

Skills Organisations would be established to ensure employers and other industry stakeholders (such as unions and licencing bodies) lead the development of qualifications and the training of a skilled workforce for that industry. SOs would:

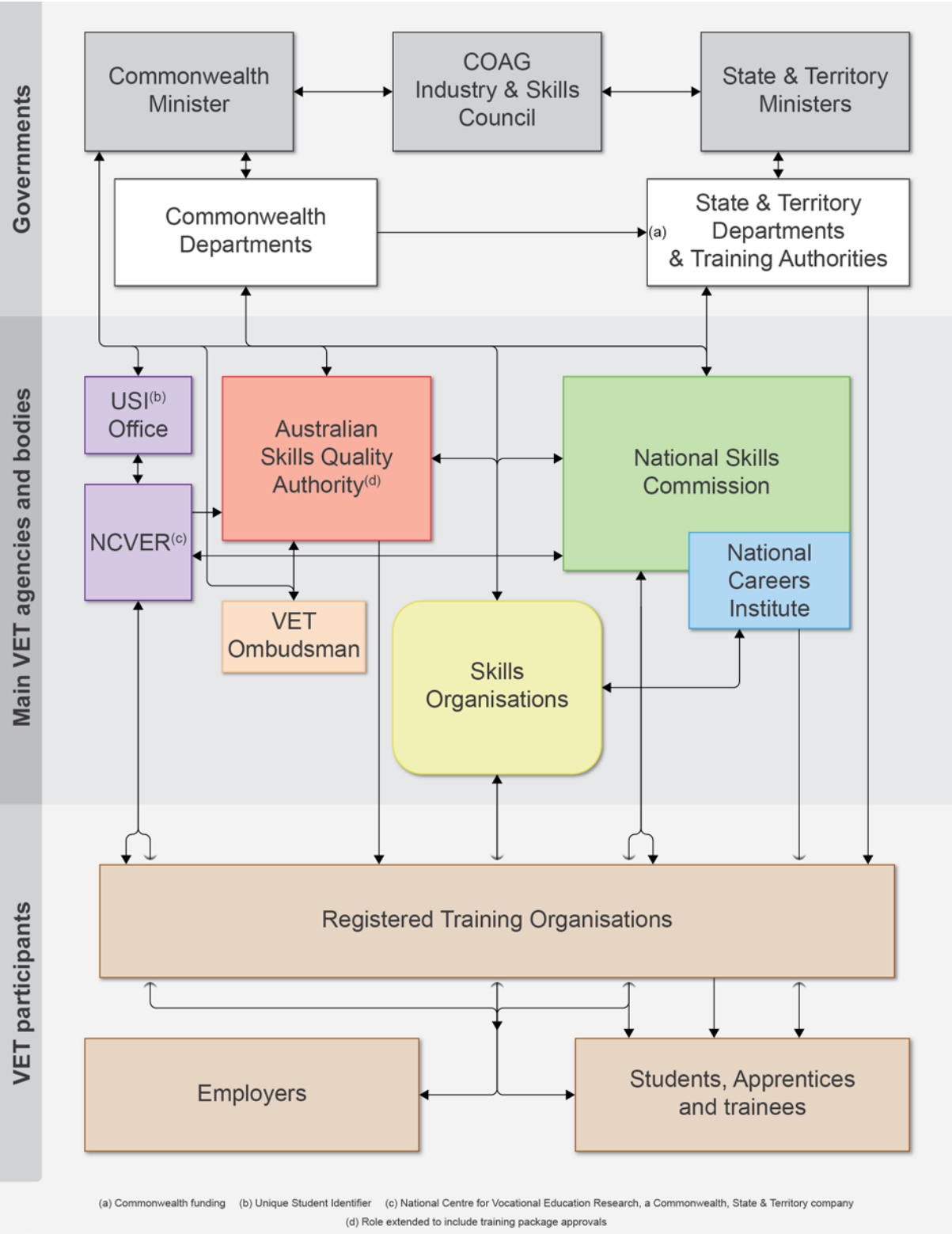
- Register themselves and their industry coverage with the Commonwealth and regularly demonstrate the support of their industry for their performance.
- Take responsibility for the qualification development process for their industries and their training packages.
- Assess skills needs in their industries and provide that information to the NSC and States and Territories.
- Record benchmark hours and any required work placement hours in qualifications to ensure all provision, including to secondary students, clearly meets the needs of employers.
- Promote the use of skillsets within training packages.
- Manage apprenticeship and traineeship support.
- Endorse preferred training providers and support assessment as appropriate.
- Market their industry and its qualification pathways to prospective apprentices and students in order to meet workforce needs.
- Take on a range of responsibilities for strengthening the links between schools and industry including advising of suitable VET qualifications, endorsing RTOs for use by schools, brokering relationships with employers to secure work placements and ASbA opportunities, engaging with schools to improve the quality of careers advice and marketing their industry to students at schools and careers expos.

A coherent national system which responds to local needs

The new architecture for the skills education system would place industry at the centre of the skills system while promoting close co-operation on funding and quality assurance between the Commonwealth, States and Territories.



Figure 9.2: Schematic of long run future VET system



View the text alternative for [Figure 9.2](#).



Delivering for all participants in skills education

The reforms set out in this report seek to improve the sector for all stakeholders, including governments, employers, training providers, industry, current and potential students, Indigenous Australians, disadvantaged Australians, and Australians living in rural and remote areas.

For **governments**, the reforms would provide clear roles and responsibilities as well as increased opportunities to collaborate on the direction of the sector and funding priorities. The Commonwealth would gain greater oversight of how Commonwealth funding for VET is directed and its outcomes. States and Territories would retain responsibility for allocating funding to providers to meet local industry demand. The move to a shared subsidy model and agreed methodology for determining subsidy rates and VET in schools funding would provide the Commonwealth, States and Territories with unprecedented transparency and consistency.

There would be a number of benefits for **industry and employers**. These reforms place industries at the heart of the sector and give them leadership and ownership of the qualification development process and apprenticeships to better match skills development to their specific workforce needs. This includes earlier engagement with secondary school students who will have greater exposure to industry employment opportunities and access to relevant and useful work placements.

Employers benefit through greater confidence that VET graduates have the skills they need for specific jobs, including relevant work experience. They can have greater control over qualification changes through their industry bodies. They gain clarity about the Government programs and support available for apprentices and would receive straightforward incentives for taking them on.

Employers would have more opportunities to engage with VET in schools through partnering with SOs and local RTOs to provide more meaningful VET experiences for students. In turn, this would encourage a pathway into employment with their business. Employers should see an increase in job applicants (and existing workers) with the necessary foundation skills needed to work effectively across a range of roles.

RTOs are set to benefit from a streamlined auditing regime that would decrease their regulatory burden. The reforms would create greater certainty about subsidy levels and expected qualifications demand allowing them to better plan their course offerings and offer courses across jurisdictions. The reforms would enable RTOs and industry to build stronger relationships through increased engagement and industry endorsement of RTO course content. Industry, through SOs, would identify high performing RTOs and be able to select preferred providers.

Qualifications that better meet industry needs would support RTOs in delivering relevant courses to their students and give the benefit of greater collaboration with industry and employers.

These reforms are designed to deliver a range of benefits for different **groups of students, apprentices and trainees**, including school leavers, job seekers, Indigenous Australians, disadvantaged Australians, and Australians living in rural and remote areas.



All Australians would have the opportunity to meaningfully engage in industry-trusted skills education that leads to employment or higher level qualifications. Students would have access to accurate, easily accessible information about vocational careers, including their likely employment prospects.

Students would benefit from having clearer information about funding support for different courses, including access to financial support (student loans and subsidies).

Australians with low language, literacy, numeracy and digital literacy skills would have free access to appropriate foundation skills training to develop their skills and have a greater range of employment opportunities.

Indigenous Australians would have greater access to more culturally relevant training options, delivered by preferred providers in their community. Disadvantaged Australians would be better supported to complete their qualifications and transition to employment or further study through improved co-ordination of wrap-around services and access to quality skills and career information. RTO delivery in rural and remote Australia would receive additional support, and the use of learning hubs to help them train locally.



10 Recommendations

Chapter 2 Leadership of the VET system

- 2.1 The Commonwealth and the States and Territories to agree a new vision for the VET sector that places work-based learning at the forefront of Australian skills development.
- 2.2 The Commonwealth and the States and Territories adopt a six point plan to improve the architecture of the vocational education system and grow its contribution to training Australians, including:
 - strengthening quality assurance,
 - speeding up qualifications development,
 - simpler funding and skills matching,
 - better careers information,
 - clearer secondary school pathways, and
 - greater access for disadvantaged Australians.
- 2.3 The Commonwealth and the States and Territories agree new names and descriptions for each part of the vocational education sector, to be used to measure the performance of each distinct stream of provision:
 - qualification-based training that leads to vocational careers (including courses and skillsets),
 - short courses,
 - foundation education (lower level courses for language, literacy, numeracy and digital literacy), and
 - VET in schools.
- 2.4 The Commonwealth and the States and Territories commit over time to reducing the differential in the level of student funding support at a particular Australian Qualification Framework level between qualification-based vocational education and university education.
- 2.5 To ensure the strength and uniqueness of the vocational education system, the Commonwealth and the States and Territories should set a long-term goal that all funded qualification-based vocational education should include formal work-based elements.
- 2.6 The Commonwealth and the States and Territories re-brand the overall VET sector to an alternative such as 'Skills Education' in conjunction with the system changes proposed in this Review, and market the sector as a modern, fast-paced skills acquisition alternative to institution-based learning in a university environment.
- 2.7 The VET sector be funded by the Commonwealth to develop strong and successful qualification pathways in growing employment areas such as digital technologies and human services, including higher-level diplomas and apprenticeships at levels 5 and 6 on the Australian Qualifications Framework.



Chapter 3 Strengthening quality assurance

- 3.1 The Commonwealth and the States and Territories to confirm their support for the Australian Skills Quality Authority as the single national regulator to provide consistent quality assurance to the vocational education sector. Once the further recommendations about quality assurance and qualifications made in this report are implemented, non-referring States should again consider referring their powers to the Australian Skills Quality Authority.
- 3.2 The Australian Skills Quality Authority to provide more information and guidance to Registered Training Organisations as to how it conducts its regulatory activities in order to improve ongoing understanding of and compliance with the Australian Skills Quality Authority requirements, and to reduce the cost and compliance burden to Registered Training Organisations.
- 3.3 The Australian Skills Quality Authority be required to publicly release all concluded audit reports to ensure all Registered Training Organisations can be fully informed about the regulator's activities (as per recommendation 15 of the review of the *National Vocational Education and Training Regulator Act 2011*). This recommendation should be implemented immediately.
- 3.4 The Commonwealth to consider whether the Australian Skills Quality Authority should be specifically resourced to provide broad education and guidance to the VET sector, and to engage more proactively and positively with providers to build trust and understanding between the regulator and the regulated.
- 3.5 In the longer term, the Australian Skills Quality Authority to expand its auditing role to ranking providers on the quality of their educational offering and their management, in a similar vein to the New Zealand system, and work with Commonwealth and State and Territory funders to encourage high quality providers.
- 3.6 That the Australian Skills Quality Authority urgently be given the new powers recommended by the review of the *National Vocational Education and Training Regulator Act 2011* to better control the registration of Registered Training Organisations specifically:
 - knowledge of and commitment to education (recommendation 4),
 - the fit and proper person test (recommendation 5), and
 - the requirement to provide training (recommendation 6).
- 3.7 The Department of Education and Training to manage annual independent surveys of the Registered Training Organisation community in order to assess the Australian Skills Quality Authority's performance and the performance of its auditors in the eyes of those it regulates.
- 3.8 The COAG Industry and Skills Council mandate an immediate and ongoing agenda to reduce any duplication and minimise reporting burdens for all Registered Training Organisations by negotiating common audit standards and information sharing between the quality assurance regulators and Commonwealth and State and Territory funders.



- 3.9 Benchmark hours should be specified in qualifications by qualification developers as a guide to the average amount of training required for a new learner with no experience in the industry to develop the required competencies in the qualification.

Benchmark hours should be developed for Australian Skills Quality Authority designated 'high-risk' qualifications first and then progressively introduced. They can be used by the Australian Skills Quality Authority and other quality assurance regulators as a guide to assist in determining whether delivery times in courses and qualifications are of a reasonable length.

- 3.10 The Commonwealth should work with the States and Territories to pilot independent assessment validation schemes. The National Skills Commission should investigate how funding should be split between providers and independent assessors if these functions were separated into different entities.
- 3.11 The Government should enable the Australian Skills Quality Authority to use independent re-assessment of students as a regular audit and enforcement tool once sufficient concerns have been raised about a particular provider's training and assessment activities. The independent assessment results should be used as evidence in appropriately sanctioning a poor quality provider.
- 3.12 Proficiency-based assessment should be piloted with certain qualifications and willing industries, with a view to extending to all relevant industries. The COAG Industry and Skills Council to work with the Australian Skills Quality Authority and Skills Organisations to develop guidance for Registered Training Organisations on the use of proficiency assessment in addition to current assessment descriptions in training packages.
- 3.13 The Government look to implement one standard tuition protection model required of Registered Training Organisations to adequately support all students and which is broadly consistent across all student cohorts. The Australian Skills Quality Authority to audit providers to ensure compliance in tuition protection arrangements.
- 3.14 All providers be required to maintain accurate student records and reporting on a quarterly basis to the National Centre for Vocational Education Research.
- 3.15 The VET Student Loans Ombudsman be expanded to become a VET Ombudsman with the appropriate powers to resolve consumer complaints against Registered Training Organisations and that the new VET Ombudsman be co-located with the Australian Skills Quality Authority.



Chapter 4 Speeding up qualifications development

- 4.1 Industry-owned and government-registered Skills Organisations to be set up to take responsibility for the qualification development process for their industries and to control their training packages.
- 4.2 Skills Organisations would be required to register themselves and their industry coverage with the Commonwealth and renew their mandate regularly (every three to five years). At the time of registration and each renewal they would need to demonstrate the support of their employers and other stakeholders for the performance of their responsibilities.
- 4.3 Skills Organisations to be responsible for the development of new or amended training products and the consultation process with industry. Final products (qualifications, competencies, or skillsets) would be approved by the Australian Skills Quality Authority for listing on training.gov.au. The Australian Skills Quality Authority would be required to be assured the new product meets the definition of a national qualification and is supported by businesses in the relevant industry.
- 4.4 Skills Organisations should be allocated a number of other responsibilities beyond their training package development role, to ensure they take ownership of, and have responsibility for, meeting the skills needs of their industry(s), including:
 - assessing skills needs in their industry(s),
 - marketing to prospective trainees and school students,
 - managing apprenticeship and traineeship support, and
 - endorsing preferred training providers and supporting assessment as appropriate.
- 4.5 The legislative design of Skills Organisations should include checks and balances that incentivise them to deliver effectively and efficiently for industry, including:
 - fixed terms of accreditation with a full application process for renewal,
 - a method to extend or reduce industry scope during the term of accreditation,
 - funding based on actual training activity,
 - co-funding from the Commonwealth and employers,
 - being unable to own Registered Training Organisations in their own right,
 - effective management of conflicts of interest, and
 - a governance structure supported by employers and other stakeholders.
- 4.6 The Commonwealth should pilot Skills Organisations nationally for one or two industries, including digital technologies, in order to develop and refine the Skills Organisation model.
- 4.7 The Australian Skills Quality Authority should be permitted to approve accredited courses and qualifications for listing on training.gov.au when they are sufficiently unique, there is a demonstrated need for them, and there is no Skills Organisation able or willing to sponsor them as part of a training package. The



Australian Skills Quality Authority should also lead the development of qualifications with industries where there is no responsible Skills Organisation.

- 4.8 Skills Organisations should use the ability to specify benchmark hours and work placement hours to reduce the level of prescriptive detail contained within individual competencies, so they can more easily remain current when technology and standards change.
- 4.9 Skills Organisations should include articulation pathways between VET and higher education in training packages where agreed with higher education providers.
- 4.10 An independent panel supported by the Australian Skills Quality Authority should be responsible for determining the appropriate Australian Qualifications Framework levels for qualifications to ensure the broader integrity of the Australian Qualifications Framework.
- 4.11 Consideration be given to further encouraging the use of short-form credentials such as skillsets or micro-credentials to provide more flexible training options to industry, following the report of the Australian Qualifications Framework review.

Chapter 5 Simpler funding and skills matching

- 5.1 The Commonwealth and the States and Territories agree to develop a simpler, nationally consistent funding policy for all government-subsidised qualifications, which provides confidence and certainty to trainees, industry, employers and all funded providers, public or private.

The policy would involve the Commonwealth preparing agreed national average costs and subsidy levels, with the States and Territories continuing to allocate places on a contestable basis to meet skills demand.

- 5.2 The Commonwealth to set up a National Skills Commission to work with the States and Territories on VET funding and administer all Commonwealth funding to the VET sector under strategic policy direction from the Minister.
- 5.3 The National Skills Commission to be made responsible for developing and updating clearly linked national, State and Territory level and regional skills demand forecasts with direct input from States, Territories, local jurisdictions and industries to assist all stakeholders to plan investment in the vocational education sector.
- 5.4 Skills demand resources currently located in the Department of Education and Training and the Department of Jobs and Small Business to be transferred into the National Skills Commission.
- 5.5 The National Skills Commission be given responsibility for determining nationally consistent subsidy levels, in partnership with the States and Territories, based on averaged actual costs of delivery for providers nationwide.



- 5.6 Subsidy levels would be determined on a grouped qualification basis similar to the Commonwealth Grant Scheme and Student Contributions table used in the university sector. They would reflect the different cost structures that are required for different types of qualifications so that providers are not influenced by the funding system to provide a particular course or qualification beyond the demand for that course.

There should also be a list of nationally consistent percentage loadings to reflect differential costs for rural and remote areas and disadvantaged groups.
- 5.7 The Commonwealth and the States and Territories would negotiate a new national agreement where the Commonwealth co-funds courses in each State and Territory according to the National Skills Commission's funding model. Courses in eligible public and private providers would be co-funded on the basis of an agreed standard percentage share between the Commonwealth and each State and Territory.

States and Territories could continue to provide additional support to their TAFE systems, over and above the tuition subsidies, in their roles as TAFE owners.
- 5.8 The National Skills Commission to develop performance indicators using existing and future data sources to measure the outcomes and effectiveness of government investment in the VET sector, and to report that information to both the Commonwealth and the States and Territories.
- 5.9 The Commonwealth to revamp and simplify its apprenticeships incentives program to make it more attractive to and more easily understood by apprentices and trainees and their employers.
- 5.10 The National Skills Commission to develop a new National Skills Priority List for Apprentices that captures occupations, including those in new and emerging industries and occupations supporting Government priorities. An annual consultation process should be undertaken to review the National Skills Priority List for Apprentices and align it with skills needs across the States and Territories.
- 5.11 Skills Organisations to take on the role of the Australian Apprenticeships Support Network. Field staff for Skills Organisations would be best placed to recruit apprentices, find suitable employers for apprentices, develop training plans in consultation with the apprentice and the employer, and provide support and education to both parties.
- 5.12 Each Skills Organisation to develop a positive non-exclusive list of preferred Registered Training Organisations for their industry across Australia for use by employers to choose where they train their apprentices and trainees. The Commonwealth and States and Territories would take the list into account when determining providers for funding.
- 5.13 The Commonwealth Government to expand the university-based regional study hub model to provide funding to VET providers to participate in regional study hubs.



Chapter 6 Better careers information

- 6.1 The Commonwealth to set up and fund a National Careers Institute to provide a single, authoritative government source of careers information, with a particular focus on marketing and promoting vocational careers.
- 6.2 The National Careers Institute to be charged with collating and publishing accurate and reliable information on careers and qualification pathways, including demand forecasts for individual occupations, training information and likely income levels.
- 6.3 The National Careers Institute to be established as an independent office within the National Skills Commission and utilise the skills demand information collected and analysed by the National Skills Commission.
- 6.4 All current information services dealing with career choices and related matters provided by the Commonwealth to be included in the National Careers Institute and resources to be transferred accordingly.
- 6.5 The National Careers Institute to use a linked data set incorporating Australian Taxation Office and Department of Human Services data on outcomes flowing from different qualifications and publish that information annually.
- 6.6 A single Commonwealth website, an app service, and other communication tools providing information on the main careers in Australia to be provided by the Commonwealth through the National Careers Institute.
- 6.7 The information provided by the National Careers Institute on its website and app be made available for licensing to other public and private operators on a consistent use basis and full acknowledgement of the data source (using a 'powered by' acknowledgement or similar).
- 6.8 Consideration be given to mandating that course information, as recommended by the review of the *National Vocational Education and Training Regulator Act 2011*, be available for publication by the National Careers Institute to assist with providing end-to-end careers information to prospective students and trainees.
- 6.9 The National Careers Institute to be funded to undertake a major multi-year public marketing campaign to lift the reputation and attractiveness of VET careers across Australia.
- 6.10 Skills Organisations to be mandated to market their industry and its qualification pathways to prospective apprentices and students in order to meet workforce needs.



Chapter 7 Clearer secondary school pathways

- 7.1 A student identifier (or similar mechanism) to be introduced for all secondary school students to allow governments to research students' subsequent education/training and employment pathways and outcomes.
- 7.2 The National Careers Institute to work with the States and Territories to develop a series of simple vocational pathways linking secondary school subjects in the national curriculum, and the senior secondary curriculum in each State or Territory, to encourage young people to study school subjects in pathways that interest them in Years 9 to 12.
- 7.3 The Commonwealth and the States and Territories to agree that all programs of VET delivered to secondary school students be designed to offer students clear pathways to actual vocational careers.
- 7.4 VET in schools programs to only deliver qualifications registered to the Australian Qualifications Framework that will be recognised as valid and robust by industry once the student graduates.
- 7.5 The Australian Skills Quality Authority and the two state regulators ensure their regulatory activity equally applies to all Registered Training Organisations delivering VET to secondary students.
- 7.6 The National Skills Commission to compare VET in schools funding models and recommend national cost and funding models for delivering VET to secondary students.
- 7.7 The Commonwealth and States and Territories consider setting up a new national funding agreement for co-funding VET in schools provision over time, with pricing to be determined by the National Skills Commission and the fund to be administered by State and Territory Training Authorities in partnership with the Commonwealth.
- 7.8 Skills Organisations to take on responsibility for strengthening the links between schools and industry, including:
 - specifying benchmark training hours and any required work placement hours in entry-level qualifications to ensure all provision, including to secondary students, clearly meets the needs of employers for entry-level workers,
 - endorsing Registered Training Organisations for use by schools for Australian School-based Apprenticeships and other VET qualifications,
 - brokering relationships with employers to secure work placements and Australian School-based Apprenticeship opportunities for students,
 - engaging with schools to improve the quality of careers advice and VET information offered to students, and
 - marketing their industry to school students at schools and careers expos.



Chapter 8 Greater access for disadvantaged Australians

- 8.1 The Commonwealth and the States and Territories to commit, over time, to supporting fee-free foundation-level education for all Australians who need training to bring their language, literacy, numeracy and digital literacy levels up to Level 2 in the Australian Core Skills Framework.
- 8.2 The Commonwealth to work with the States and Territories to develop a new national agreement for foundation skills to deliver consistent levels of access across Australia to language, literacy, numeracy and digital literacy courses for adult Australians who do not have language, literacy, numeracy and digital literacy levels up to Level 2 in the Australian Core Skills Framework.
- 8.3 The new national agreement for foundation skills to expressly provide for the three main delivery models for language, literacy, numeracy and digital literacy training across Australia:
 - standard Registered Training Organisation delivery of foundation-level VET courses,
 - intensive literacy and numeracy short courses (like the Adult Migrant English Program), and
 - dedicated workplace-delivered language, literacy, numeracy and digital skills programs in partnership between employers and Registered Training Organisations.
- 8.4 The Commonwealth to fund the development of an online language, literacy, numeracy and digital literacy assessment tool for use by educators across Australia to assess language, literacy, numeracy and digital literacy standards for individual learners and independently assess improvements as a result of funded language, literacy, numeracy and digital literacy courses.
- 8.5 The Commonwealth to support the development of more quality Indigenous-owned-and-led Registered Training Organisations to provide more Indigenous learners with the option of foundation and vocational training in an Indigenous cultural setting.
- 8.6 The Commonwealth and the States and Territories to specifically measure levels of enrolment, progress and outcomes for Indigenous learners at relevant funded Registered Training Organisations as part of a new Commonwealth-State vocational education funding agreement.
- 8.7 New funding models to be developed to provide flexible wrap-around social support services in communities where there is high disadvantage so that vocational educators do not have to search through myriad targeted funding programs to find additional support to keep their learners engaged.



11 Appendices

Appendix A Submissions received

The Review received 192 valid submissions.

The following 103 organisations and 39 individuals provided submissions and consented to their submissions and names being published. An additional two submissions consented to publication without attribution.

A further 48 submissions were received but the respondents did not consent to publication.

Organisations

- Academy of Interactive Entertainment
- Australian Children's Education and Care Quality Authority
- ACT Board of Senior Secondary Studies
- Adept Training
- Adult Learning Australia
- AMES Australia
- Apprenticeships Employment Network Tasmania
- ARCS Australia
- Association of Heads of Independent Schools Australia
- Australasian Railway Association
- Australasian VET Research Association
- Australian Association of Convenience Stores
- Australian Catholic University
- Australian Chamber of Commerce and Industry
- Australian Council for Adult Literacy
- Australian Council for Private Education and Training
- Australian Council of Deans of Education Vocational Education Group
- Australian Council of Social Service
- Australian Council of Trade Unions
- Australian Education Union
- Australian Human Rights Commission
- Australian Industry Group
- Australian Institute of Training and Development
- Australian Publishers Association
- Australian Small Business and Family Enterprise Ombudsman
- Australian Retailers Association
- Automotive Training Board NSW
- Business Council of Australia
- Chamber of Commerce and Industry WA
- Charles Darwin University
- Claire Field & Associates
- Coalition of Celebrants Associations
- Commonwealth Ombudsman
- Community Colleges Australia
- Construction Material Processors Association CMPA
- Consulting Surveyors National
- Dietitians Association of Australia
- Electrical Trades Union of Australia
- Engineering Institute of Technology
- Equality Rights Alliance
- Family Day Care
- Evolve College
- Foundation for Young Australians
- Future Now
- Fyusion Asia Pacific



- Goodstart Early Learning
- Growth Centres Advisory Committee
- Hospitality NT
- Housing Industry Association
- Industry Skills Advisory Council NT
- Innovation and Science Australia
- Isolated Children's Parents' Association
- Job Ready
- Lighthouse Learning International
- Literacy For Life
- Local Government Association of Queensland
- Master Plumbers Australia
- Medicines Australia
- Minerals Council of Australia
- Mission Australia
- Motor Trades Association-SA
- National Apprentice Employment Network
- National Australian Apprenticeship Association
- National Council of Women Australia
- National Farmers Federation
- National Tertiary Education Union
- National Union of Students
- Naval Shipbuilding Institute
- Navitas
- NCVER
- NSW Adult Literacy & Numeracy Council
- NSW Government
- Phoenix Compliance Management
- Queensland Catholic Education Commission
- Queensland Council for Adult Literacy
- Queensland Tourism Industry Council
- Queensland Water Directorate
- Restaurant and Catering Australia
- Resources Industry Training Council
- Rio Tinto Australia
- Safe Work Australia
- Skills Impact
- SkillsIQ
- Swinburne University of Technology
- TAFE Community Alliance
- Tasmanian Government
- Tasmanian Small Business Council
- Technical Training Australia
- The Chamber of Minerals and Energy of Western Australia
- The Smith Family
- Tourism Accommodation Australia
- Tourism Training Australia
- Universities Australia
- University of New England
- VETASSESS
- Victoria University
- Victorian Automobile Chamber of Commerce
- Victorian Government
- Victorian TAFE Association
- VicWater
- WA Council of State School Organisations
- Whitton Consulting
- Year 13



Individuals

- Harry Barry
- Janet Bastyan
- Heather Bitter
- Robert Black
- Sara Carmona
- Sam Chun
- Matthew Conway
- Paul Conway
- Thierry Demathieu
- Paul Frisina
- Katrina Hansen
- Marilyn Harvey
- Kevin Heys
- Kevin Hummel
- John Hutchinson
- Darcey Kelleher
- Korina
- Arvind Kumar
- Jane Kung
- Peter Lausberg
- Chris Lehmann
- Robert McGrath
- Stuart McIntyre
- Joanne Medlin
- Robyn Nolan
- Therese Nolan
- Anthony Punch
- Kevin M Redfern
- Paul Saunders
- Don Shaw
- Rory Smeaton
- Joshua Smith
- Alan Sparks
- Sally Tansley
- Suzie Walden
- Bruce D Watson
- Roslyn Williams
- Tony Vizza
- Joint Submission: Dr Sharon Ross, Dr Teresa O'Brien, James Paxman, Kathy Adams, Peter McGlew, Richard Ludemann, Janet Munday



Appendix B Stakeholder consultations

- Accor Hotels
- Aged and Community Services Australia (ACSA)
- All Trades Queensland
- Alstom Group
- Apprentice Employment Network Western Australia
- Apprenticeships Matter
- Apprenticeship Support Australia
- Aurora Training Institute
- Australian Chamber of Commerce & Industry
- Australian Council for Educational Research
- Australian Council for Private Education and Training (ACPET)
- Australian Council for Private Education (ACPET) – Northern Territory Branch
- Australian Council of Social Service (ACOSS)
- Australian Education Union (AEU)
- Australian Hairdressing Council (AHC)
- Australian Industry and Defence Network Incorporated (AIDN)
- Australian Industry Group (Ai Group)
- Australian Institute of Project Management (AIPM)
- Australian Mines and Metals Association (AMMA)
- Australian Publishers Association
- Australian Rail Track Corporation (ARTC)
- Australian Retailers Association
- Australian Submarine Corporation (ASC)
- Australian Trade Training College (ATTC)
- Australian Training Works Ltd
- Australasian Railway Association (ARA)
- Avidity Training and Development
- BAE Systems Australia
- BCA National Training Group
- BGT
- Blue Dog Training
- Box Hill Institute
- Brotherhood of St Laurence
- Business Council of Australia
- Cairns Chamber of Commerce
- Cairns Regional Council
- Cairns State High School
- Canberra Institute of Technology (CIT)
- Cape York Employment
- Cape York Girl Academy
- Central Queensland (CQ) University



- Central Regional TAFE Western Australia
- Chamber of Commerce Northern Territory
- Charles Darwin University (CDU)
- CitySmart
- College of Electrical Training (CET)
- Community Colleges Australia (CCA)
- Community Living Australia
- Comstar Systems
- Construction Skills Queensland
- Council of Small Business Organisations Australia (COSBOA)
- Crew Pacific Super Yacht Training and Recruitment
- Crown Resorts
- Curtin University
- Data61
- Defence SA
- Defence Teaming Centre (DTC)
- Designer Life
- Djarragun College
- Djerriwarrh Community and Education Services
- Downer Group
- DXC Technology
- Edith Cowan University (ECU)
- Electrical and Communications Association Western Australia (ECA WA)
- Energy Skills Queensland
- Engineering Institute of Technology
- Enterprise Registered Training Organisation Association (ERTOA)
- Expert Regional Education Advisory Group
- Federation University Australia
- Fyusion Asia Pacific
- Genesee and Wyoming Australia
- Geraldton Universities Centre
- GlobalNet Academy
- Gowrie Training Centre
- Grant Thornton Consulting
- Grattan Institute
- Hospitality Group Training (HGT)
- Hospitality NT
- Housing Industry Association (HIA) – National Office
- Housing Industry Association (HIA) – Northern Territory Branch
- Huon Aquaculture Group Limited
- Industry Skills Advisory Council NT (ISACNT)
- John Holland Group
- Kirana Education



- Learning Partners
- LH Martin Institute, University of Melbourne
- Liberas Consultancy Services Limited
- MAS National
- Major Training Group
- Master Plumbers
- Maxima Group
- MaxiTRANS
- MEGT
- Microsoft Australia
- MIGAS Apprentices and Trainees
- Minda Inc
- Minerals Council of Australia (MCA)
- Motor Trade Association of South Australia
- Motor Trade Association of Western Australia (MTA WA)
- National Apprentice Employment Network (NAEN)
- National Australia Bank (NAB)
- National Disability Services
- National Electrical and Communications Association (NECA)
- National Employment Services Association (NESA)
- National Energy Resources Australia (NERA)
- National Farmers Federation
- Naval Group Australia
- Naval Shipbuilding College
- North Metropolitan TAFE Western Australia
- Novaskill
- Pacific National
- PEER
- Pharmacy Guild of Australia
- Prestige Service Training
- Pullman Cairns International
- Queensland Community Alliance
- Queensland Farmers Federation
- Queensland Fitness, Sport & Recreation Skills Alliance
- Queensland Tourism Industry Council
- Queensland Training Ombudsman
- Queensland Trucking Association
- Queensland Water Directorate
- QMI Solutions
- Rail Industry Safety and Standards Board (RISSB)
- Regional Skills Training
- Rio Tinto
- Sarina Russo Group



- Seafood and Maritime Training Tasmania
- Siemens Limited
- Skill360 Australia
- South Metropolitan TAFE Western Australia
- Southern Cross Catholic Vocational College (SCCVC)
- Sydney Catholic Schools
- TAFE Directors Australia (TDA)
- TAFE NSW
- TAFE Queensland
- TAFE South Australia
- Tasmanian Building Group Apprenticeship Scheme
- Tasmanian Hospitality Association
- Tasmanian Small Business Council (TSBC)
- TasTAFE
- The Learning Collaborative
- Toyota Australia
- Training Connections Australia
- Transport for NSW
- Unions WA
- University of South Australia
- Victorian Automobile Chamber of Commerce (VACC)
- Victorian Chamber of Commerce and Industry
- VicWater
- Vocational Training Services (VTS)
- Western Australian Small Business Commission
- Wesfarmers
- Wontulp-Bi-Buya College
- Work and Training Ltd
- Yarrabah Aboriginal Shire Council

Australian Government

- The Honourable Josh Frydenberg MP, Treasurer
- The Honourable Kelly O'Dwyer MP, Minister for Women; and Minister for Jobs and Industrial Relations
- The Honourable Dan Tehan MP, Minister for Education
- Senator the Honourable Matthew Canavan, Minister for Resources and Northern Australia
- Senator the Honourable Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education
- The Honourable Karen Andrews MP, Minister for Industry, Science and Technology



In addition, the Review met with representatives of the following Australian Government agencies, bodies, position holders and reviewers:

- Ms Kate Carnell AO, Australian Small Business and Family Enterprise Ombudsman
- Professor John Pollaers OAM, Chair, Australian Industry and Skills Committee
- Professor Peter Noonan, currently Chair of the Expert Panel for the review of the Australian Qualifications Framework
- Australian Industry Skills Committee (AISC)
- Australian Skills Quality Authority (ASQA)
- Department of Defence
- Department of Education and Training
- Department of Infrastructure Regional Development and Cities
- Productivity Commission

State and Territory Governments

- The Honourable Shannon Fentiman MP, Queensland Minister for Employment and Small Business; and Minister for Training and Skills Development
- The Honourable Sue Ellery MLC, Western Australian Minister for Education and Training
- The Honourable David Pisoni MP, South Australian Minister for Industry and Skills
- The Honourable Jeremy Rockliff MP, Tasmanian Minister for Education and Training
- The Honourable Meegan Fitzharris MLA, Australian Capital Territory Minister for Higher Education, Training and Research
- The Honourable Selena Uiibo MLA, Northern Territory Minister for Education and Workforce Training

In addition, the Review also met Commonwealth and State and Territory Senior Officials, the National Centre for Vocational Education Research and the following State and Territory Government agencies, bodies, position holders and reviewers:

- Mr Neil Coulson, Victorian Skills Commissioner
- Mr Martin Watson, Executive Director, Australian Capital Territory Board of Senior Secondary Studies
- Australian Capital Territory Education Directorate
- Australian Capital Territory Economic Development Directorate
- Jobs QLD
- New South Wales Department of Education and Training
- New South Wales Department of Industry
- Northern Territory Department of Education
- Northern Territory Department of Trade Business and Innovation Queensland Department of Employment, Small Business & Training
- Queensland Department of Employment, Small Business & Training
- South Australian Department for Education
- South Australian Department for Industry and Skills
- South Australian Department of Planning, Transport and Infrastructure



- South Australian Training and Skills Commission
- Tasmanian Department of Education
- Tasmanian Department of State Growth
- Tasmanian Department of Premier and Cabinet
- Victorian Department of Education
- Western Australian Department of Education
- Western Australian Department of Training and Workforce Development

Individuals with experience in VET policy

- Professor Valerie Braithwaite, Professor, Regulatory Institutions Network, the Australian National University who conducted the Review of the *National Vocational Education and Training Regulator Act 2011* in 2017–18
- Senator the Honourable Doug Cameron, Shadow Minister for Skills, TAFE and Apprenticeships
- Mr Terry Moran AC, currently Chair, Centre for Policy Development and Chancellor Federation University. Mr Moran formerly held a number of roles in the VET sector and Commonwealth and State Governments
- Professor Peter Shergold AC, currently Chancellor, Western Sydney University and formerly Chair, NCVER. Professor Shergold formerly held a number of roles in the education sector



Appendix C Demographic characteristics of VET students, 2017

	Number	Percentage
Age group		
14 years and under	19,435	0.5%
15 to 19 years	705,095	16.6%
20 to 24 years	643,335	15.2%
25 to 29 years	568,125	13.4%
30 to 34 years	474,080	11.2%
35 to 39 years	386,255	9.1%
40 to 44 years	348,385	8.2%
45 to 49 years	332,395	7.8%
50 to 54 years	272,665	6.4%
55 to 59 years	218,635	5.2%
60 to 64 years	126,460	3.0%
65 years and over	69,460	1.6%
Indigenous status		
Indigenous	142,825	3.4%
Non-Indigenous	3,597,835	84.9%
Remoteness		
Major cities	2,509,555	59.2%
Inner regional	806,700	19.0%
Outer regional	395,320	9.3%
Remote	69,055	1.6%
Very remote	40,525	1.0%
Overseas	180,560	4.3%
Sex		
Males	2,144,730	50.6%
Females	1,978,225	46.7%
State or Territory		
NSW	1,330,165	31.4%
Vic	1,022,760	24.1%
Qld	904,585	21.4%
SA	230,805	5.4%
WA	373,365	8.8%
Tas	54,120	1.3%
NT	45,490	1.1%
ACT	76,370	1.8%
Overseas	34,275	0.8%
Other	163,615	3.9%
Disability status		
With disability	179,975	4.2%
Without disability	3,428,660	80.9%
Total	4,235,555	100.0%

Source: NCVER 2018, *Total VET Students and Courses, 2017*. NCVER, Adelaide.
Categories may not add to 100 per cent due to unknown characteristics.



Appendix D Training packages and qualifications

Top 20 qualifications based on 2017 NCVER enrolment data	Enrolments (2017)
Diploma of Early Childhood Education and Care	67,532
Certificate III in Individual Support	61,935
Certificate III in Early Childhood Education and Care	54,226
Certificate III in Business	45,712
Certificate II in Business	44,293
Certificate I in Construction	42,600
Diploma of Leadership and Management	41,205
Certificate II in Skills for Work and Vocational Pathways	35,240
Certificate II in Hospitality	34,922
Certificate III in Electrotechnology Electrician	33,617
Certificate IV in Training and Assessment	33,450
Certificate III in Carpentry	30,257
Diploma of Business	27,428
Certificate II in Kitchen Operations	26,145
Certificate III in Fitness	25,494
Certificate III in Hospitality	24,524
Certificate I in Spoken and Written English*	24,200
Certificate II in Construction Pathways	23,689
Certificate II in Spoken and Written English*	23,237
Certificate IV in Building and Construction (Building)	22,319
Certificate IV in Property Services (Real Estate)	22,225
Certificate III in Spoken and Written English*	22,066
Certificate III in Retail	22,012

Note: *Qualification is no longer current (effective September 2018).

Source: NCVER 2018, *Total VET Students and Courses 2017*. NCVER, Adelaide.



Training packages and qualifications (February 2019)

Animal Care and Management

Certificate I in Animal Studies
 Certificate II in Animal Studies
 Certificate II in Horse Care
 Certificate III in Animal Studies
 Certificate III in Animal Technology
 Certificate III in Captive Animals
 Certificate III in Companion Animal Services
 Certificate III in Pet Grooming
 Certificate III in Horse Breeding
 Certificate III in Performance Horse
 Certificate III in Equine Hoof Care
 Certificate IV in Animal Control and Regulation
 Certificate IV in Captive Animals
 Certificate IV in Companion Animal Services
 Certificate IV in Veterinary Nursing
 Certificate IV in Equine Dentistry
 Certificate IV in Pet Styling
 Certificate IV in Horse Breeding
 Certificate IV in Farriery
 Diploma of Animal Technology
 Diploma of Horse Stud Management
 Diploma of Performance Horse Management
 Diploma of Veterinary Nursing (Surgical)
 Diploma of Veterinary Nursing (Dental)
 Diploma of Veterinary Nursing (Emergency and Critical Care)
 Diploma of Veterinary Nursing (General Practice)

Agriculture, Horticulture and Conservation and Land Management

Certificate I in Conservation and Land Management
 Certificate I in AgriFood Operations
 Certificate I in Horticulture
 Certificate I in Permaculture
 Certificate II in Agriculture
 Certificate II in Production Horticulture
 Certificate II in Horticulture
 Certificate II in Arboriculture
 Certificate II in Parks and Gardens
 Certificate II in Production Nursery
 Certificate II in Retail Nursery

Certificate II in Sports Turf Management
 Certificate II in Conservation and Land Management
 Certificate II in Irrigation
 Certificate II in Rural Operations
 Certificate II in Shearing
 Certificate II in Wool Handling
 Certificate II in Floriculture
 Certificate II in Landscaping
 Certificate II in Permaculture
 Certificate III in Agriculture
 Certificate III in Agriculture (Dairy Production)
 Certificate III in Rural and Environmental Pest Management
 Certificate III in Pork Production
 Certificate III in Poultry Production
 Certificate III in Production Horticulture
 Certificate III in Horticulture
 Certificate III in Arboriculture
 Certificate III in Landscape Construction
 Certificate III in Parks and Gardens
 Certificate III in Production Nursery
 Certificate III in Retail Nursery
 Certificate III in Sports Turf Management
 Certificate III in Conservation and Land Management
 Certificate III in Indigenous Land Management
 Certificate III in Lands, Parks and Wildlife
 Certificate III in Natural Area Restoration
 Certificate III in Beekeeping
 Certificate III in Rural Machinery Operations
 Certificate III in Commercial Seed Processing
 Certificate III in Commercial Composting
 Certificate III in Conservation Earthworks
 Certificate III in Irrigation
 Certificate III in Aboriginal Sites Work
 Certificate III in Rural Merchandising
 Certificate III in Rural Operations
 Certificate III in Shearing
 Certificate III in Wool Clip Preparation
 Certificate III in Advanced Wool Handling
 Certificate III in Floriculture
 Certificate III in Feedlot Operations
 Certificate III in Seed Production



Certificate III in Seed Testing
 Certificate III in Permaculture
 Certificate IV in Agriculture
 Certificate IV in Production Horticulture
 Certificate IV in Horticulture
 Certificate IV in Parks and Gardens
 Certificate IV in Production Nursery
 Certificate IV in Retail Nursery
 Certificate IV in Sports Turf Management
 Certificate IV in Conservation and Land Management
 Certificate IV in Agribusiness
 Certificate IV in Irrigation
 Certificate IV in Wool Classing
 Certificate IV in Seed Production
 Certificate IV in Seed Testing
 Certificate IV in Organic Farming
 Certificate IV in Pest Management
 Certificate IV in Arboriculture
 Certificate IV in Landscape
 Certificate IV in Permaculture
 Certificate IV in Shearing Contracting
 Diploma of Agriculture
 Diploma of Pork Production
 Diploma of Production Horticulture
 Diploma of Horticulture
 Diploma of Arboriculture
 Diploma of Landscape Design
 Diploma of Parks and Gardens Management
 Diploma of Production Nursery Management
 Diploma of Retail Nursery Management
 Diploma of Sports Turf Management
 Diploma of Conservation and Land Management
 Diploma of Community Coordination and Facilitation
 Diploma of Pest Management
 Diploma of Agribusiness Management
 Diploma of Viticulture
 Diploma of Irrigation Management
 Diploma of Organic Farming
 Diploma of Landscape Project Management
 Diploma of Permaculture
 Advanced Diploma of Horticulture
 Advanced Diploma of Agribusiness Management
 Advanced Diploma of Conservation and Land Management
 Advanced Diploma of Arboriculture

Graduate Diploma of Arboriculture

Australian Meat Processing

Certificate II in Meat Processing (Food Services)
 Certificate II in Meat Processing (Smallgoods)
 Certificate II in Meat Processing (Abattoirs)
 Certificate II in Meat Processing (Meat Retailing)
 Certificate III in Meat Processing (Boning Room)
 Certificate III in Meat Processing (Food Services)
 Certificate III in Meat Processing (Meat Safety)
 Certificate III in Meat Processing (Rendering)
 Certificate III in Meat Processing (Slaughtering)
 Certificate III in Meat Processing (General)
 Certificate III in Meat Processing (Quality Assurance)
 Certificate III in Meat Processing (Retail Butcher)
 Certificate III in Meat Processing (Smallgoods - General)
 Certificate III in Meat Processing (Smallgoods - Manufacture)
 Certificate III in Meat Processing (Livestock Handling)
 Certificate III in Meat Processing (Packing Operations)
 Certificate IV in Meat Processing (General)
 Certificate IV in Meat Processing (Leadership)
 Certificate IV in Meat Processing (Quality Assurance)
 Certificate IV in Meat Processing (Meat Safety)
 Diploma of Meat Processing (Meat Retailing)
 Diploma of Meat Processing
 Advanced Diploma of Meat Processing
 Graduate Certificate in Agribusiness
 Graduate Diploma of Agribusiness

Automotive Manufacturing

Certificate I in Automotive Manufacturing



Certificate II in Automotive Manufacturing
Production - Passenger Motor Vehicle
Certificate II in Automotive Manufacturing
Production – Bus, Truck and Trailer
Certificate III in Automotive Manufacturing
Technical Operations - Passenger Motor
Vehicle
Certificate III in Automotive Manufacturing
Technical Operations - Bus, Truck and
Trailer
Certificate IV in Automotive Manufacturing
Diploma of Automotive Manufacturing

Automotive Retail, Service and Repair

Certificate I in Automotive Vocational
Preparation
Certificate II in Automotive Administration
Certificate II in Automotive Air
Conditioning Technology
Certificate II in Bicycle Mechanical
Technology
Certificate II in Automotive Electrical
Technology
Certificate II in Automotive Servicing
Technology
Certificate II in Marine Mechanical
Technology
Certificate II in Automotive Vocational
Preparation
Certificate II in Outdoor Power Equipment
Technology
Certificate II in Automotive Body Repair
Technology
Certificate II in Motor Sport Technology
Certificate II in Automotive Sales
Certificate II in Automotive Underbody
Technology
Certificate II in Automotive Braking
System Technology
Certificate II in Automotive Cooling
System Technology
Certificate II in Automotive Cylinder Head
Reconditioning
Certificate II in Automotive Driveline
System Technology
Certificate II in Automotive Exhaust
System Technology
Certificate II in Automotive Steering and
Suspension System Technology
Certificate II in Automotive Tyre Servicing
Technology
Certificate III in Automotive Administration

Certificate III in Bicycle Workshop
Operations
Certificate III in Automotive Electrical
Technology
Certificate III in Agricultural Mechanical
Technology
Certificate III in Marine Mechanical
Technology
Certificate III in Light Vehicle Mechanical
Technology
Certificate III in Outdoor Power Equipment
Technology
Certificate III in Motorcycle Mechanical
Technology
Certificate III in Motor Sport Technology
Certificate III in Automotive Sales
Certificate III in Heavy Commercial
Vehicle Mechanical Technology
Certificate III in Mobile Plant Technology
Certificate III in Automotive Engine
Reconditioning
Certificate III in Automotive Diesel Fuel
Technology
Certificate III in Automotive Diesel Engine
Technology
Certificate III in Automotive Drivetrain
Technology
Certificate III in Forklift Technology
Certificate III in Heavy Commercial Trailer
Technology
Certificate III in Elevating Work Platform
Technology
Certificate III in Automotive Alternative
Fuel Technology
Certificate III in Automotive Body Repair
Technology
Certificate III in Automotive Glazing
Technology
Certificate III in Automotive and Marine
Trimming Technology
Certificate III in Automotive Refinishing
Technology
Certificate III in Automotive Underbody
Technology
Certificate III in Automotive Tyre
Management
Certificate IV in Automotive Management
Certificate IV in Automotive Mechanical
Diagnosis
Certificate IV in Motor Sport Technology
Certificate IV in Automotive Performance
Enhancement



Certificate IV in Vehicle Loss Assessing
 Certificate IV in Automotive Electrical
 Technology
 Certificate IV in Automotive Body Repair
 Technology
 Certificate IV in Automotive Mechanical
 Overhauling
 Diploma of Automotive Management
 Diploma of Automotive Technology
 Diploma of Motor Sport Technology

Aviation

Certificate I in Aviation (Foundation Skills)
 Certificate II in Aviation (Flight Operations-
 Cargo Services)
 Certificate II in Transport Security
 Protection
 Certificate II in Aviation (Ground
 Operations and Service)
 Certificate III in Aviation (Cabin Crew)
 Certificate III in Aviation (Rescue
 Crewman)
 Certificate III in Aviation (Remote Pilot -
 Visual Line of Sight)
 Certificate III in Aviation (Ground
 Operations and Service)
 Certificate III in Aviation (Aerodrome
 Operations)
 Certificate IV in Aviation (Aircraftman)
 Certificate IV in Aviation (Aviation
 Supervision)
 Certificate IV in Aviation (Flight Operations
 Supervision)
 Diploma of Aviation (Air Traffic Control)
 Diploma of Aviation (Commercial Pilot
 Licence - Aeroplane)
 Diploma of Aviation (Commercial Pilot
 Licence - Helicopter)
 Diploma of Aviation (Instrument Rating)
 Diploma of Aviation (Flight Instructor)
 Diploma of Aviation (Aviation
 Management)
 Advanced Diploma of Aviation (Chief
 Flight Instructor)
 Advanced Diploma of Aviation (Pilot in
 Command)

Business Services

Certificate I in Business
 Certificate II in Business
 Certificate II in Customer Engagement
 Certificate III in Business
 Certificate III in Customer Engagement

Certificate III in Micro Business
 Operations
 Certificate III in Business Administration
 Certificate III in Business Administration
 (International Education)
 Certificate III in International Trade
 Certificate III in Work Health and Safety
 Certificate III in Recordkeeping
 Certificate III in Business Administration
 (Education)
 Certificate III in Business Administration
 (Legal)
 Certificate III in Business Administration
 (Medical)
 Certificate III in Library and Information
 Services
 Certificate IV in Business
 Certificate IV in Customer Engagement
 Certificate IV in Business Administration
 Certificate IV in Business Sales
 Certificate IV in Franchising
 Certificate IV in Governance
 Certificate IV in Human Resources
 Certificate IV in International Trade
 Certificate IV in Work Health and Safety
 Certificate IV in Project Management
 Practice
 Certificate IV in Business (Procurement)
 Certificate IV in Recordkeeping
 Certificate IV in Business (Governance)
 Certificate IV in Leadership and
 Management
 Certificate IV in Library and Information
 Services
 Certificate IV in Legal Services
 Certificate IV in Environmental
 Management and Sustainability
 Certificate IV in Marketing and
 Communication
 Certificate IV in Small Business
 Management
 Certificate IV in New Small Business
 Diploma of Business
 Diploma of Customer Engagement
 Diploma of Business Administration
 Diploma of Franchising
 Diploma of Human Resources
 Management
 Diploma of Business (Governance)
 Diploma of International Business
 Diploma of Work Health and Safety
 Diploma of Project Management



Diploma of Business (Procurement)
 Diploma of Quality Auditing
 Diploma of Recordkeeping
 Diploma of Leadership and Management
 Diploma of Conveyancing
 Diploma of Library and Information Services
 Diploma of Legal Services
 Diploma of Governance
 Diploma of Marketing and Communication
 Advanced Diploma of Business
 Advanced Diploma of Work Health and Safety
 Advanced Diploma of Recordkeeping
 Advanced Diploma of Management (Human Resources)
 Advanced Diploma of Leadership and Management
 Advanced Diploma of Conveyancing
 Advanced Diploma of Program Management
 Advanced Diploma of Marketing and Communication
 Graduate Diploma of Strategic Leadership
 Graduate Certificate in Leadership Diversity
 Graduate Diploma of Portfolio Management
 Graduate Certificate in Management (Learning)
 Graduate Diploma of Management (Learning)

Community Services

Certificate I in Active Volunteering
 Certificate II in Community Services
 Certificate II in Active Volunteering
 Certificate III in Early Childhood Education and Care
 Certificate III in Education Support
 Certificate III in Community Services
 Certificate III in Individual Support
 Certificate III in Active Volunteering
 Certificate IV in School Age Education and Care
 Certificate IV in Education Support
 Certificate IV in Child, Youth and Family Intervention
 Certificate IV in Youth Work
 Certificate IV in Youth Justice
 Certificate IV in Celebrancy
 Certificate IV in Employment Services

Certificate IV in Career Development
 Certificate IV in Community Services
 Certificate IV in Community Development
 Certificate IV in Social Housing
 Certificate IV in Chaplaincy and Pastoral Care
 Certificate IV in Ageing Support
 Certificate IV in Disability
 Certificate IV in Alcohol and Other Drugs
 Certificate IV in Mental Health
 Certificate IV in Leisure and Health
 Certificate IV in Mental Health Peer Work
 Certificate IV in Coordination of volunteer programs
 Diploma of Early Childhood Education and Care
 Diploma of School Age Education and Care
 Diploma of Child, Youth and Family Intervention
 Diploma of Youth Work
 Diploma of Youth Justice
 Diploma of Counselling
 Diploma of Financial Counselling
 Diploma of Community Services
 Diploma of Community Development
 Diploma of Alcohol and Other Drugs
 Diploma of Mental Health
 Diploma of Leisure and Health
 Advanced Diploma of Community Sector Management
 Graduate Diploma of Relationship Counselling
 Graduate Diploma of Family Dispute Resolution
 Graduate Certificate in Statutory Child Protection
 Graduate Certificate in Career Development Practice
 Graduate Certificate in Client Assessment and Case Management

Construction, Plumbing and Services

Certificate I in Construction
 Certificate II in Construction
 Certificate II in Construction Pathways
 Certificate II in Drainage
 Certificate II in Metal Roofing and Cladding
 Certificate II in Urban Irrigation
 Certificate III in Bricklaying/Blocklaying
 Certificate III in Carpentry



Certificate III in Demolition
 Certificate III in Dogging
 Certificate III in Painting and Decorating
 Certificate III in Rigging
 Certificate III in Roof Tiling
 Certificate III in Scaffolding
 Certificate III in Solid Plastering
 Certificate III in Steelfixing
 Certificate III in Wall and Ceiling Lining
 Certificate III in Wall and Floor Tiling
 Certificate III in Construction
 Waterproofing
 Certificate III in Formwork/Falsework
 Certificate III in Paving
 Certificate III in Post-Tensioning
 Certificate III in Joinery
 Certificate III in Carpentry and Joinery
 Certificate III in Joinery (Stairs)
 Certificate III in Stonemasonry
 (Monumental/Installation)
 Certificate III in Plumbing
 Certificate III in Plumbing (Mechanical
 Services)
 Certificate III in Roof Plumbing
 Certificate III in Gas Fitting
 Certificate III in Fire Protection
 Certificate III in Construction Crane
 Operations
 Certificate IV in Building and Construction
 (Building)
 Certificate IV in Building and Construction
 (Contract Administration)
 Certificate IV in Building and Construction
 (Estimating)
 Certificate IV in Building and Construction
 (Sales)
 Certificate IV in Building and Construction
 (Site Management)
 Certificate IV in Building and Construction
 (Specialist Trades)
 Certificate IV in Building and Construction
 (Trade Contracting)
 Certificate IV in Swimming Pool and Spa
 Building
 Certificate IV in Plumbing and Services
 Certificate IV in Demolition
 Diploma of Building and Construction
 (Building)
 Diploma of Building and Construction
 (Management)
 Diploma of Plumbing and Services
 Diploma of Fire Systems Design

Diploma of Hydraulic Services Design
 Advanced Diploma of Building and
 Construction (Management)
 Certificate III in Shopfitting
 Certificate III in Signs and Graphics
 Certificate III in Concreting
 Advanced Diploma of Building Surveying
 Graduate Certificate in Fire Systems
 Design Management
 Graduate Diploma of Building Surveying

Property Services

Certificate II in Surveying and Spatial
 Information Services
 Certificate II in Security Operations
 Certificate II in Cleaning
 Certificate III in Urban Pest Management
 Certificate III in Surveying and Spatial
 Information Services
 Certificate III in Cleaning Operations
 Certificate III in Strata Community
 Management
 Certificate III in Swimming Pool and Spa
 Service
 Certificate III in Security Operations
 Certificate III in Close Protection
 Operations
 Certificate IV in Building Design Drafting
 Certificate IV in Surveying
 Certificate IV in Spatial Information
 Services
 Certificate IV in Cleaning Management
 Certificate IV in Strata Community
 Management
 Diploma of Surveying
 Diploma of Spatial Information Services
 Diploma of Strata Community
 Management
 Advanced Diploma of Surveying
 Certificate II in Technical Security
 Certificate II in Waste Management
 Certificate II in Fire Protection Inspection
 and Testing
 Certificate III in Property Services
 (Agency)
 Certificate III in Property Services
 (Operations)
 Certificate III in Technical Security
 Certificate III in Investigative Services
 Certificate III in Waste Management
 Certificate III in Fire Protection Inspection
 and Testing



Certificate IV in Property Services (Real Estate)
 Certificate IV in Property Services (Stock and Station Agency)
 Certificate IV in Property Services (Business Broking)
 Certificate IV in Property Services (Operations)
 Certificate IV in Security and Risk Management
 Certificate IV in Access Consulting
 Certificate IV in Waste Management
 Certificate IV in Home Sustainability Assessment
 Certificate IV in NatHERS Assessment
 Certificate IV in Swimming Pool and Spa Service
 Diploma of Property Services (Agency Management)
 Diploma of Property Services (Business Broking)
 Diploma of Property Services (Asset and Facility Management)
 Diploma of Security and Risk Management
 Diploma of Access Consulting
 Diploma of Waste Management
 Diploma of Building Design
 Diploma of Residential Building Energy Assessment
 Advanced Diploma of Property Services (Asset and Facility Management)
 Graduate Certificate in Building Design
 Graduate Diploma of Building Design
 Graduate Diploma of Access Consulting

Correctional Services

Certificate II in Justice Services
 Certificate III in Correctional Practice
 Certificate IV in Correctional Practice
 Diploma of Correctional Administration
 Advanced Diploma of Correctional Management

Creative Arts and Culture

Certificate I in Dance
 Certificate I in Aboriginal and Torres Strait Islander Cultural Arts
 Certificate I in Visual Arts
 Certificate II in Dance
 Certificate II in Creative Industries
 Certificate II in Aboriginal and Torres Strait Islander Visual Arts Industry Work

Certificate II in Aboriginal and Torres Strait Islander Cultural Arts
 Certificate II in Information and Cultural Services
 Certificate II in Music Industry
 Certificate II in Visual Arts
 Certificate III in Dance
 Certificate III in Community Dance, Theatre and Events
 Certificate III in Assistant Dance Teaching
 Certificate III in Live Production and Services
 Certificate III in Aboriginal and Torres Strait Islander Cultural Arts
 Certificate III in Arts Administration
 Certificate III in Design Fundamentals
 Certificate III in Broadcast Technology
 Certificate III in Music Industry
 Certificate III in Screen and Media
 Certificate III in Visual Arts
 Certificate IV in Dance
 Certificate IV in Professional Writing and Editing
 Certificate IV in Community Culture
 Certificate IV in Dance Teaching and Management
 Certificate IV in Live Production and Technical Services
 Certificate IV in Musical Theatre
 Certificate IV in Aboriginal and Torres Strait Islander Cultural Arts
 Certificate IV in Design
 Certificate IV in Arts Administration
 Certificate IV in Music Industry
 Certificate IV in Broadcast Technology
 Certificate IV in Photography and Photo Imaging
 Certificate IV in Screen and Media
 Certificate IV in Visual Arts
 Diploma of Dance (Elite Performance)
 Diploma of Professional Writing and Editing
 Diploma of Musical Theatre
 Diploma of Dance Teaching and Management
 Diploma of Live Production and Technical Services
 Diploma of Live Production Design
 Diploma of Aboriginal and Torres Strait Islander Visual Arts Industry Work
 Diploma of Graphic Design
 Diploma of Music Industry



Diploma of Photography and Photo Imaging
 Diploma of Screen and Media
 Diploma of Visual Arts
 Diploma of Ceramics
 Advanced Diploma of Dance (Elite Performance)
 Advanced Diploma of Live Production and Management Services
 Advanced Diploma of Graphic Design
 Advanced Diploma of Creative Product Development
 Advanced Diploma of Music Industry
 Advanced Diploma of Screen and Media
 Advanced Diploma of Visual Arts

Defence

Certificate I in Defence Force Cadets
 Certificate II in Military Skills
 Certificate II in Explosive Ordnance
 Certificate II in Explosive Ordnance Manufacture
 Certificate III in Field Petroleum Operations
 Certificate III in Preventive Health
 Certificate III in Air Dispatch
 Certificate III in Defence Public Affairs
 Certificate III in Explosive Ordnance Manufacture
 Certificate III in Explosive Ordnance Proof and Experimental
 Certificate III in Explosive Ordnance Maintenance
 Certificate III in Explosive Ordnance Operations
 Certificate III in Sensor Operations
 Certificate IV in Defence Public Affairs
 Certificate IV in Intelligence Operations
 Certificate IV in Psychological Support
 Certificate IV in Defence Reporting
 Certificate IV in Test and Evaluation
 Certificate IV in Preventive Health
 Certificate IV in Defence Paralegal Services
 Certificate IV in Defence Financial Administration
 Certificate IV in Performance Based Contracting
 Certificate IV in Explosive Ordnance Maintenance
 Certificate IV in Explosive Ordnance Proof and Experimental

Certificate IV in Explosive Ordnance Manufacture
 Certificate IV in Explosive Ordnance Operations
 Certificate IV in Electronic Forensics
 Certificate IV in Simulator Maintenance
 Certificate IV in Work Health Safety
 Certificate IV in Range Control
 Diploma of Test and Evaluation
 Diploma of Enterprise Architecture Practice
 Diploma of Compliance
 Diploma of Defence Paralegal Services
 Diploma of Defence Public Affairs
 Diploma of Preventive Health
 Diploma of Range Control and Management
 Diploma of Defence Financial Management
 Diploma of Leadership
 Diploma of Explosive Ordnance
 Diploma of Explosive Ordnance Manufacture
 Diploma of Explosive Ordnance Proof and Experimental
 Diploma of Electronic Forensics
 Diploma of Simulator Maintenance
 Diploma of Institutional and Operational Chaplaincy
 Diploma of Evaluations
 Graduate Certificate in Explosive Ordnance
 Graduate Diploma of Explosive Ordnance

Food, Beverage and Pharmaceutical

Certificate I in Food Processing
 Certificate I in Baking
 Certificate II in Food Processing
 Certificate II in Baking
 Certificate II in Food Processing (Sales)
 Certificate II in Pharmaceutical Manufacturing
 Certificate II in Wine Industry Operations
 Certificate II in Sugar Milling Support
 Certificate III in Food Processing
 Certificate III in Plant Baking
 Certificate III in Cake and Pastry
 Certificate III in Bread Baking
 Certificate III in Baking
 Certificate III in Food Processing (Sales)
 Certificate III in Rice Processing



Certificate III in Pharmaceutical Manufacturing
 Certificate III in Wine Industry Operations
 Certificate III in Sugar Milling Industry Operations
 Certificate IV in Flour Milling
 Certificate IV in Baking
 Certificate IV in Food Processing
 Certificate IV in Food Science and Technology
 Certificate IV in Pharmaceutical Manufacturing
 Diploma of Food Science and Technology
 Diploma of Food Safety Auditing

Financial Services

Certificate I in Financial Services
 Certificate II in Financial Services
 Certificate III in Financial Services
 Certificate III in Personal Injury Management
 Certificate III in Accounts Administration
 Certificate III in Mercantile Agents
 Certificate III in General Insurance
 Certificate III in Insurance Broking
 Certificate IV in Credit Management
 Certificate IV in Accounting and Bookkeeping
 Certificate IV in Financial Practice Support
 Certificate IV in Finance and Mortgage Broking
 Certificate IV in Superannuation
 Certificate IV in Financial Markets Operations
 Certificate IV in General Insurance
 Certificate IV in Life Insurance
 Certificate IV in Insurance Broking
 Certificate IV in Financial Services
 Certificate IV in Banking Services
 Certificate IV in Personal Injury Management
 Certificate IV in Personal Trust Administration
 Diploma of Accounting
 Diploma of Finance and Mortgage Broking Management
 Diploma of Payroll Services
 Diploma of Financial Planning
 Diploma of Superannuation
 Diploma of Integrated Risk Management
 Diploma of Banking Services Management

Diploma of Financial Markets
 Diploma of General Insurance
 Diploma of Insurance Broking
 Diploma of Life Insurance
 Diploma of Loss Adjusting
 Diploma of Credit Management
 Diploma of Securitisation
 Diploma of Financial Services
 Diploma of Personal Injury and Disability Insurance Management
 Diploma of Personal Trusts
 Advanced Diploma of Insurance Broking
 Advanced Diploma of Accounting
 Advanced Diploma of Financial Planning
 Advanced Diploma of Superannuation
 Advanced Diploma of Banking Services Management
 Advanced Diploma of Financial Licensing Management
 Advanced Diploma of Integrated Risk Management
 Graduate Diploma of Anti-Money Laundering and Counter Terrorism Financing

Foundational Skills

Certificate I in Access to Vocational Pathways
 Certificate I in Skills for Vocational Pathways
 Certificate II in Skills for Work and Vocational Pathways

Forest and Wood Products

Certificate I in Forest and Forest Products
 Certificate II in Forest Growing and Management
 Certificate II in Harvesting and Haulage
 Certificate II in Sawmilling and Processing
 Certificate II in Wood Panel Products
 Certificate II in Timber Manufactured Products
 Certificate II in Timber Merchandising
 Certificate II in Timber Truss and Frame Design and Manufacture
 Certificate III in Forest Growing and Management
 Certificate III in Harvesting and Haulage
 Certificate III in Sawmilling and Processing
 Certificate III in Wood Panel Products
 Certificate III in Timber Manufactured Products



Certificate III in Timber Merchandising
 Certificate III in Sawdoctoring
 Certificate III in Woodmachining
 Certificate III in Timber Truss and Frame Design and Manufacture
 Certificate IV in Forest Operations
 Certificate IV in Timber Processing
 Certificate IV in Timber Truss and Frame Manufacture
 Certificate IV in Timber Truss and Frame Design
 Diploma of Forest and Forest Products
 Diploma of Timber Truss and Frame Manufacture
 Diploma of Timber Truss and Frame Design
 Advanced Diploma of Forest Industry Sustainability

Health

Certificate II in Aboriginal and/or Torres Strait Islander Primary Health Care
 Certificate II in Medical Service First Response
 Certificate II in Health Support Services
 Certificate II in Population Health
 Certificate II in Indigenous Environmental Health
 Certificate III in Aboriginal and/or Torres Strait Islander Primary Health Care
 Certificate III in Ambulance Communications (Call-taking)
 Certificate III in Non-Emergency Patient Transport
 Certificate III in Basic Health Care
 Certificate III in Allied Health Assistance
 Certificate III in Health Services Assistance
 Certificate III in Health Support Services
 Certificate III in Dental Assisting
 Certificate III in Dental Laboratory Assisting
 Certificate III in Population Health
 Certificate III in Indigenous Environmental Health
 Certificate III in Sterilisation Services
 Certificate III in Hospital/Health Services Pharmacy Support
 Certificate III in Pathology Collection
 Certificate III in Health Administration
 Certificate III in Pathology Assistance

Certificate IV in Aboriginal and/or Torres Strait Islander Primary Health Care
 Certificate IV in Aboriginal and/or Torres Strait Islander Primary Health Care Practice
 Certificate IV in Ambulance Communications (Dispatch)
 Certificate IV in Health Care
 Certificate IV in Massage Therapy
 Certificate IV in Allied Health Assistance
 Certificate IV in Dental Assisting
 Certificate IV in Population Health
 Certificate IV in Indigenous Environmental Health
 Certificate IV in Sterilisation Services
 Certificate IV in Hospital/Health Services Pharmacy Support
 Certificate IV in Health Administration
 Certificate IV in Audiometry
 Certificate IV in Operating Theatre Technical Support
 Certificate IV in Cardiac Technology
 Certificate IV in Medical Practice Assisting
 Certificate IV in Optical Dispensing
 Diploma of Aboriginal and/or Torres Strait Islander Primary Health Care
 Diploma of Aboriginal and/or Torres Strait Islander Primary Health Care Practice
 Diploma of Paramedical Science
 Diploma of Remedial Massage
 Diploma of Traditional Chinese Medicine (TCM) Remedial Massage
 Diploma of Shiatsu and Oriental Therapies
 Diploma of Clinical Aromatherapy
 Diploma of Kinesiology
 Diploma of Reflexology
 Diploma of Ayurvedic Lifestyle Consultation
 Diploma of Nursing
 Diploma of Dental Technology
 Diploma of Audiometry
 Diploma of Practice Management
 Diploma of Anaesthetic Technology
 Advanced Diploma of Aboriginal and/or Torres Strait Islander Health Care
 Advanced Diploma of Ayurveda
 Advanced Diploma of Nursing
 Advanced Diploma of Dental Prosthetics



Printing and Graphic Arts

Certificate II in Printing and Graphic Arts (General)
 Certificate III in Printing
 Certificate III in Print Manufacturing
 Certificate III in Print Communications
 Certificate IV in Printing and Graphic Arts
 Certificate IV in Printing and Graphic Arts (Mail House)
 Certificate IV in ePublishing
 Diploma of Printing and Graphic Arts

Information and Communications Technology

Certificate I in Information, Digital Media and Technology
 Certificate II in Information, Digital Media and Technology
 Certificate II in Telecommunications Network Build and Operate
 Certificate II in Telecommunications Technology
 Certificate III in Information, Digital Media and Technology
 Certificate III in Telecommunications Digital Reception Technology
 Certificate III in Telecommunications Rigging Installation
 Certificate III in Telecommunications Network Build and Operate
 Certificate III in Telecommunications Technology
 Certificate IV in Information Technology
 Certificate IV in Information Technology Support
 Certificate IV in Web-Based Technologies
 Certificate IV in Information Technology Networking
 Certificate IV in Programming
 Certificate IV in Digital Media Technologies
 Certificate IV in Digital and Interactive Games
 Certificate IV in Computer Systems Technology
 Certificate IV in Telecommunications Network Design
 Certificate IV in Telecommunications Engineering Technology
 Diploma of Information Technology
 Diploma of Digital and Interactive Games

Diploma of Information Technology Systems Administration
 Diploma of Information Technology Networking
 Diploma of Database Design and Development
 Diploma of Website Development
 Diploma of Software Development
 Diploma of Systems Analysis and Design
 Diploma of Digital Media Technologies
 Diploma of Telecommunications Engineering
 Diploma of Telecommunications Planning and Design
 Advanced Diploma of Information Technology
 Advanced Diploma of Network Security
 Advanced Diploma of Information Technology Business Analysis
 Advanced Diploma of Information Technology Project Management
 Advanced Diploma of Computer Systems Technology
 Advanced Diploma of Telecommunications Network Engineering
 Graduate Certificate in Information Technology and Strategic Management
 Graduate Certificate in Telecommunications
 Graduate Diploma of Telecommunications Network Engineering
 Graduate Diploma of Telecommunications and Strategic Management
 Graduate Certificate in Telecommunications Network Engineering

Local Government

Certificate I in Local Government
 Certificate I in Local Government (Operational Works)
 Certificate II in Local Government
 Certificate II in Local Government (Operational Works)
 Certificate III in Local Government
 Certificate III in Local Government (Health and Environment)
 Certificate III in Local Government (Operational Works)
 Certificate III in Local Government (Regulatory Services)
 Certificate IV in Local Government



Certificate IV in Local Government Administration
 Certificate IV in Local Government (Health and Environment)
 Certificate IV in Local Government (Operational Works)
 Certificate IV in Local Government (Regulatory Services)
 Certificate IV in Local Government (Land Management)
 Certificate IV in Local Government (Planning)
 Diploma of Local Government Administration
 Diploma of Local Government (Health and Environment)
 Diploma of Local Government (Operational Works)
 Diploma of Local Government (Planning)
 Diploma of Local Government (Regulatory Services)
 Diploma of Local Government Advanced Diploma of Local Government (Operational Works)
 Graduate Certificate in Local Government Management

Textiles, Clothing and Footwear

Certificate I in Textiles Clothing and Footwear
 Certificate II in Cotton Ginning
 Certificate III in Cotton Ginning
 Certificate III in Engineering - TCF Mechanic
 Certificate III in Digitising and Computerised Embroidery
 Certificate IV in Cotton Ginning
 Certificate IV in Laundry Operations and Supervision
 Certificate IV in Supply and Fitting of Pre-manufactured Medical Grade Footwear
 Diploma of Medical Grade Footwear
 Diploma of Textile Technology and Production Management
 Advanced Diploma of Medical Grade Footwear

Maritime

Certificate I in Maritime Operations (General Purpose Hand Near Coastal)
 Certificate I in Maritime Operations (Coxswain Grade 2 Near Coastal)

Certificate II in Maritime Operations (Linesperson)
 Certificate II in Maritime Operations (Coxswain Grade 1 Near Coastal)
 Certificate II in Maritime Operations (Marine Engine Driver Grade 3 Near Coastal)
 Certificate III in Maritime Operations (Marine Engine Driver Steam)
 Certificate III in Maritime Operations (Marine Surveying)
 Certificate III in Maritime Operations (Integrated Rating)
 Certificate III in Marina Operations
 Certificate III in Maritime Operations (Marine Cookery)
 Certificate III in Maritime Operations (Marine Engine Driver Grade 2 Near Coastal)
 Certificate III in Maritime Operations (Master up to 24 metres Near Coastal)
 Certificate III in Maritime Operations (Master Inland Waters)
 Certificate IV in Maritime Operations (Marine Surveying)
 Certificate IV in Maritime Operations (Chief Integrated Rating)
 Certificate IV in Maritime Operations (Marine Engine Driver Grade 1 Near Coastal)
 Certificate IV in Maritime Operations (Master up to 35 metres Near Coastal)
 Diploma of Maritime Operations (Engineer Watchkeeper)
 Diploma of Maritime Operations (Marine Surveying)
 Diploma of Maritime Operations (Watchkeeper Deck)
 Diploma of Maritime Operations (Master up to 500 GT)
 Diploma of Maritime Operations (Marine Engineering Class 3 Near Coastal)
 Diploma of Maritime Operations (Master up to 80 metres Near Coastal)
 Advanced Diploma of Maritime Operations (Marine Engineering Class 2)
 Advanced Diploma of Maritime Operations (Marine Engineering Class 1)
 Advanced Diploma of Maritime Operations (Master Unlimited)



Aeroskills

Certificate II in Aeroskills
 Certificate II in Aircraft Line Maintenance
 Certificate II in Aircraft Surface Finishing
 Certificate III in Aircraft Surface Finishing
 Certificate III in Aeroskills (Mechatronics)
 Certificate III in Aircraft Life Support and Furnishing
 Certificate IV in Aeroskills (Avionics)
 Certificate IV in Aeroskills (Mechanical)
 Certificate IV in Aircraft Surface Finishing
 Certificate IV in Aeroskills (Mechatronics)
 Certificate IV in Aeronautical Life Support Equipment
 Certificate IV in Aeroskills (Armament)
 Certificate IV in Aeroskills (Structures)
 Diploma of Aeroskills (Avionics)
 Diploma of Aeroskills (Mechanical)
 Diploma of Aviation Maintenance Management (Avionics)
 Diploma of Aviation Maintenance Management (Mechanical)
 Diploma of Aeroskills (Non-Destructive Testing)
 Diploma of Aeronautical Engineering
 Diploma of Avionic Engineering
 Advanced Diploma of Aviation Maintenance Management (Avionics)
 Advanced Diploma of Aviation Maintenance Management (Mechanical)
 Advanced Diploma of Aviation Non-Destructive Testing
 Advanced Diploma of Aeronautical Engineering
 Advanced Diploma of Avionic Engineering

Manufacturing and Engineering

Certificate III in Engineering - Industrial Electrician

Metal and Engineering

Certificate I in Engineering
 Certificate I in Boating Services
 Certificate II in Engineering
 Certificate II in Engineering - Production Technology
 Certificate II in Boating Services
 Certificate II in Engineering Pathways
 Certificate III in Engineering - Production Systems
 Certificate III in Engineering - Mechanical Trade

Certificate III in Engineering - Fabrication Trade
 Certificate III in Engineering - Electrical/Electronic Trade
 Certificate III in Engineering - Technical
 Certificate III in Jewellery Manufacture
 Certificate III in Marine Craft Construction
 Certificate III in Locksmithing
 Certificate III in Boating Services
 Certificate III in Watch and Clock Service and Repair
 Certificate III in Engineering - Composites Trade
 Certificate IV in Engineering
 Certificate IV in Boating Services
 Certificate IV in Advanced Jewellery Manufacture
 Certificate IV in Engineering Drafting
 Diploma of Engineering - Advanced Trade
 Diploma of Engineering - Technical
 Diploma of Jewellery and Object Design
 Advanced Diploma of Engineering
 Advanced Diploma of Jewellery and Object Design
 Graduate Diploma of Engineering

Manufacturing

Certificate III in Manufacturing Technology
 Certificate IV in Manufacturing Technology
 Diploma of Manufacturing Technology
 Advanced Diploma of Manufacturing Technology

Furnishing

Certificate I in Furnishing
 Certificate II in Furnishing
 Certificate II in Furniture Finishing
 Certificate II in Furniture Making
 Certificate II in Glass and Glazing
 Certificate II in Furniture Making Pathways
 Certificate III in Furniture Finishing
 Certificate III in Furniture Making
 Certificate III in Timber and Composites Machining
 Certificate III in Glass and Glazing
 Certificate III in Picture Framing
 Certificate III in Soft Furnishing
 Certificate III in Upholstery
 Certificate III in Flooring Technology
 Certificate III in Blinds, Awnings, Security Screens and Grilles
 Certificate III in Interior Decoration Retail Services



Certificate III in Cabinet Making
 Certificate III in Piano Technology
 Certificate IV in Interior Decoration
 Certificate IV in Furniture Design and Technology
 Certificate IV in Kitchen and Bathroom Design
 Certificate IV in Glass and Glazing
 Diploma of Stained Glass and Leadlighting
 Diploma of Interior Design
 Diploma of Furniture Design and Technology
 Advanced Diploma of Interior Design

Laboratory Operations

Certificate II in Sampling and Measurement
 Certificate III in Laboratory Skills
 Certificate IV in Laboratory Techniques
 Diploma of Laboratory Technology
 Advanced Diploma of Laboratory Operations

Manufacturing

Certificate I in Process Manufacturing
 Certificate I in Manufacturing (Pathways)
 Certificate II in Process Manufacturing
 Certificate II in Manufacturing Technology
 Certificate II in Recreational Vehicle Service and Repair
 Certificate II in Recreational Vehicle Manufacturing
 Certificate III in Process Manufacturing
 Certificate III in Surface Preparation and Coating Application
 Certificate III in Manufactured Mineral Products
 Certificate III in Fenestration
 Certificate III in Recreational Vehicle Service and Repair
 Certificate III in Recreational Vehicle Manufacturing
 Certificate III in Recreational Vehicle and Accessories Retailing
 Certificate IV in Process Manufacturing
 Certificate IV in Recreational Vehicles
 Certificate IV in Recreational Vehicle and Accessories Retailing
 Diploma of Production Management
 Diploma of Recreational Vehicles

Sustainability

Certificate II in Competitive Systems and Practices
 Certificate III in Competitive Systems and Practices
 Certificate IV in Sustainable Operations
 Certificate IV in Environmental Monitoring and Technology
 Certificate IV in Competitive Systems and Practices
 Diploma of Sustainable Operations
 Diploma of Environmental Monitoring and Technology
 Diploma of Competitive Systems and Practices
 Advanced Diploma of Competitive Systems and Practices
 Graduate Certificate in Sustainable Operations
 Graduate Certificate in Environmental Management
 Graduate Certificate in Competitive Systems and Practices
 Graduate Diploma of Competitive Systems and Practices

Textiles, Clothing and Footwear

Certificate II in TCF Production Support
 Certificate II in TCF Production Operations
 Certificate II in Leather Production
 Certificate II in Laundry Operations
 Certificate II in TCF Services and Repair
 Certificate II in Applied Fashion Design and Technology
 Certificate III in Clothing and Textile Production
 Certificate III in Manufactured Textile Products
 Certificate III in Millinery
 Certificate III in Footwear
 Certificate III in Leather Production
 Certificate III in Laundry Operations
 Certificate III in Dry Cleaning Operations
 Certificate III in Applied Fashion Design and Technology
 Certificate IV in Textile Design, Development and Production
 Certificate IV in Clothing Production
 Certificate IV in Custom-Made Footwear
 Certificate IV in Millinery
 Certificate IV in Applied Fashion Design and Merchandising



Diploma of Applied Fashion Design and Merchandising
Diploma of Textile Design and Development
Advanced Diploma of Applied Fashion Design and Merchandising
Advanced Diploma of Textile Design and Development

National Water

Certificate II in Water Industry Operations
Certificate III in Water Industry Operations
Certificate III in Water Industry Treatment
Certificate III in Water Industry Irrigation
Certificate IV in Water Industry Operations
Certificate IV in Water Industry Treatment
Diploma of Water Industry Operations

Chemical, Hydrocarbons and Refining

Certificate II in Process Plant Operations
Certificate III in Process Plant Operations
Certificate IV in Process Plant Technology
Diploma of Process Plant Technology
Advanced Diploma of Process Plant Technology

Plastics, Rubber and Cablemaking

Certificate II in Polymer Processing
Certificate III in Polymer Processing
Certificate IV in Polymer Technology
Diploma of Polymer Technology
Advanced Diploma of Polymer Technology

Police

Certificate II in Community Engagement
Certificate III in Aboriginal Community Policing
Certificate III in Police Liaison
Certificate IV in Aboriginal Community Policing
Certificate IV in Protective Services
Diploma of Policing
Diploma of Police Bomb Technical Response
Diploma of Police Intelligence Practice
Diploma of Forensic Investigation
Diploma of Police Search and Rescue Coordination (Marine/Land)
Advanced Diploma of Police Supervision
Advanced Diploma of Human Source Management
Advanced Diploma of Police Intelligence Operations

Advanced Diploma of Police Witness Protection
Advanced Diploma of Surveillance
Advanced Diploma of Undercover Operations (Operative/Controller)
Advanced Diploma of Police Close Personal Protection
Advanced Diploma of Forensic Investigation
Advanced Diploma of Police Investigation
Advanced Diploma of Police Negotiation
Advanced Diploma of Police Search and Rescue Management
Graduate Certificate in Police Management
Graduate Certificate in Forensic Firearm Examination
Graduate Certificate in Forensic Fingerprint Investigation
Graduate Certificate in Crime Scene Investigation
Graduate Certificate in Police Prosecution

Pulp & Paper Manufacturing Industry

Certificate II in Pulping Operations
Certificate II in Papermaking Operations
Certificate III in Pulping Operations
Certificate III in Papermaking Operations
Certificate IV in Pulping Operations
Certificate IV in Papermaking Operations
Diploma of Pulp and Paper Process Management

Public Sector

Certificate II in Government
Certificate II in Auslan
Certificate III in Government
Certificate III in Auslan
Certificate IV in Government
Certificate IV in Court Operations
Certificate IV in Government Security
Certificate IV in Government Investigations
Certificate IV in Trade Measurement
Certificate IV in Procurement and Contracting
Certificate IV in Heavy Vehicle Road Compliance
Certificate IV in Auslan
Diploma of Government
Diploma of Court Operations
Diploma of Government Security
Diploma of Government Investigations



Diploma of Trade Measurement
 Diploma of Procurement and Contracting
 Diploma of Fraud Control
 Diploma of Translating
 Diploma of Interpreting (LOTE-English)
 Diploma of Auslan
 Advanced Diploma of Government
 (Workplace inspection/
 Investigations/Fraud control)
 Advanced Diploma of Procurement and
 Contracting
 Advanced Diploma of Translating
 Advanced Diploma of Interpreting (LOTE-
 English)
 Graduate Certificate in Strategic
 Procurement
 Graduate Certificate in Radiation Safety

Public Safety

Certificate II in Public Safety (Aboriginal or
 Torres Strait Islander Community Policing)
 Certificate II in Public Safety (Firefighting
 and Emergency Operations)
 Certificate II in Public Safety (Firefighting
 Operations)
 Certificate II in Public Safety (Aquatic
 Rescue)
 Certificate II in Public Safety (SES)
 Certificate III in Public Safety (SES
 Rescue)
 Certificate III in Public Safety (SES
 Operations)
 Certificate III in Public Safety (Firefighting
 and Emergency Operations)
 Certificate III in Public Safety (Firefighting
 Operations)
 Certificate III in Public Safety (Aquatic
 Search and Rescue)
 Certificate III in Public Safety (Community
 Safety)
 Certificate III in Public Safety (Emergency
 Communications Centre Operations)
 Certificate III in Public Safety (Biosecurity
 Response Operations)
 Certificate IV in Public Safety (SES
 Leadership)
 Certificate IV in Public Safety (Firefighting
 Supervision)
 Certificate IV in Public Safety (Leadership)
 Certificate IV in Public Safety (Community
 Safety)

Certificate IV in Public Safety (Disaster
 Victim Identification Operations)
 Certificate IV in Public Safety (Aquatic
 Search and Rescue Management)
 Certificate IV in Public Safety (Emergency
 Communications Centre Operations)
 Certificate IV in Public Safety (Biosecurity
 Response Leadership)
 Diploma of Public Safety (SES Operations
 Management)
 Diploma of Public Safety (Firefighting
 Management)
 Diploma of Public Safety (Search and
 Rescue - Coordination)
 Diploma of Public Safety (Community
 Safety)
 Diploma of Public Safety (Human Source
 Management)
 Diploma of Public Safety (Mounted
 Policing)
 Diploma of Public Safety (Police Dog
 Handling - General Purpose or Specific
 Odour)
 Diploma of Public Safety (Emergency
 Management)
 Diploma of Public Safety (Biosecurity
 Response Management)
 Advanced Diploma of Public Safety
 (Emergency Management)
 Advanced Diploma of Public Safety
 (Firefighting Management)
 Advanced Diploma of Public Safety
 (Search and Rescue - Management)
 Advanced Diploma of Public Safety
 (Community Safety)
 Advanced Diploma of Public Safety (Fire
 Investigation)
 Advanced Diploma of Public Safety
 (Disaster victim identification coordination)
 Advanced Diploma of Public Safety
 (Tactical Flight Operations - Helicopter or
 Surveillance)
 Graduate Certificate in Public Safety
 (Police Investigation)

Racing and Breeding

Certificate I in Racing (Stablehand)
 Certificate II in Racing (Greyhound)
 Certificate II in Racing Industry
 Certificate III in Racing (Greyhound)
 Certificate III in Racing (Stablehand)



Certificate III in Racing (Driving Stablehand)
 Certificate III in Racing Services
 Certificate III in Racing (Trackwork Rider)
 Certificate IV in Racing (Racehorse Trainer)
 Certificate IV in Racing (Jockey)
 Certificate IV in Racing (Harness Race Driver)
 Certificate IV in Racing (Greyhound Trainer)
 Certificate IV in Racing Integrity
 Diploma of Racing (Racehorse Trainer)
 Diploma of Racing Integrity Management

Resources and Infrastructure Safety

Certificate I in Resources and Infrastructure Operations
 Certificate II in Resources and Infrastructure Work Preparation
 Certificate II in Surface Extraction Operations
 Certificate II in Underground Coal Mining
 Certificate II in Underground Metalliferous Mining
 Certificate II in Resource Processing
 Certificate II in Mining / Field Exploration
 Certificate II in Civil Construction
 Certificate II in Bituminous Surfacing
 Certificate II in Drilling Operations
 Certificate II in Drilling Oil/Gas (Offshore)
 Certificate II in Drilling Oil/Gas (On shore)
 Certificate II in Well Servicing Operations
 Certificate II in Cross Industry Operations
 Certificate III in Surface Extraction Operations
 Certificate III in Underground Coal Mining
 Certificate III in Underground Metalliferous Mining
 Certificate III in Resource Processing
 Certificate III in Mining Exploration
 Certificate III in Small Mining Operations
 Certificate III in Mine Emergency Response and Rescue
 Certificate III in Civil Construction Plant Operations
 Certificate III in Civil Construction
 Certificate III in Civil Foundations
 Certificate III in Trenchless Technology
 Certificate III in Drilling Operations

Certificate III in Drilling Oil & Gas (Off shore)
 Certificate III in Drilling Oil/Gas (Onshore)
 Certificate III in Well Servicing Operations
 Certificate IV in Surface Extraction Operations
 Certificate IV in Surface Coal Mining (Open Cut Examiner)
 Certificate IV in Metalliferous Mining Operations (Underground)
 Certificate IV in Underground Coal Operations
 Certificate IV in Resource Processing
 Certificate IV in Civil Construction Operations
 Certificate IV in Civil Construction Supervision
 Certificate IV in Civil Construction Design
 Certificate IV in Drilling Operations
 Certificate IV in Drilling Oil & Gas (Off shore)
 Certificate IV in Drilling Oil & Gas (On shore)
 Certificate IV in Well Servicing Operations
 Diploma of Surface Operations Management
 Diploma of Underground Metalliferous Mining Management
 Diploma of Minerals Processing
 Diploma of Civil Construction Management
 Diploma of Civil Construction Design
 Diploma of Drilling Operations
 Diploma of Drilling Oil & Gas (Off shore)
 Diploma of Drilling Oil & Gas (On shore)
 Diploma of Underground Coal Mining Management
 Diploma of Well Servicing Operations
 Advanced Diploma of Metalliferous Mining
 Advanced Diploma of Extractive Industries Management
 Advanced Diploma of Underground Coal Mining Management
 Advanced Diploma of Drilling Management
 Advanced Diploma of Civil Construction Design
 Advanced Diploma of Civil Construction
 Advanced Diploma of Surface Coal Mining Management



Seafood Industry

Certificate I in Aquaculture
 Certificate I in Fishing Operations
 Certificate I in Seafood Processing
 Certificate II in Aquaculture
 Certificate II in Fishing Operations
 Certificate II in Fisheries Compliance Support
 Certificate II in Seafood Processing
 Certificate II in Seafood Industry (Sales and Distribution)
 Certificate III in Aquaculture
 Certificate III in Fishing Operations
 Certificate III in Seafood Industry (Environmental Management Support)
 Certificate III in Fisheries Compliance
 Certificate III in Seafood Processing
 Certificate III in Seafood Industry (Sales and Distribution)
 Certificate IV in Aquaculture
 Certificate IV in Fishing Operations
 Certificate IV in Seafood Industry (Environmental Management)
 Certificate IV in Fisheries Compliance
 Certificate IV in Seafood Processing
 Certificate IV in Seafood Industry Sales and Distribution
 Diploma of Aquaculture
 Diploma of Fishing Operations
 Diploma of Fisheries Compliance
 Diploma of Seafood Processing

Floristry

Certificate II in Floristry (Assistant)
 Certificate III in Floristry
 Certificate IV in Floristry
 Diploma of Floristry Design

Hairdressing and Beauty Services

Certificate II in Retail Cosmetics
 Certificate II in Salon Assistant
 Certificate III in Beauty Services
 Certificate III in Make-Up
 Certificate III in Nail Technology
 Certificate III in Hairdressing
 Certificate III in Barbering
 Certificate IV in Beauty Therapy
 Certificate IV in Hairdressing
 Diploma of Beauty Therapy
 Diploma of Salon Management
 Advanced Diploma of Intense Pulsed Light and Laser for Hair Reduction

Graduate Certificate in Hairdressing
 Creative Leadership

Funeral Services

Certificate I in Funeral Services
 Certificate II in Funeral Operations
 Certificate III in Cemetery and Crematorium Operations
 Certificate III in Gravedigging, Grounds and Maintenance
 Certificate III in Funeral Operations
 Certificate IV in Funeral Services
 Certificate IV in Embalming
 Diploma of Funeral Services Management

Retail Services

Certificate I in Retail Services
 Certificate II in Community Pharmacy
 Certificate II in Retail Services
 Certificate III in Community Pharmacy
 Certificate III in Retail
 Certificate III in Business to Business Sales
 Certificate IV in Community Pharmacy
 Certificate IV in Community Pharmacy Dispensary
 Certificate IV in Retail Management
 Diploma of Retail Leadership
 Diploma of Visual Merchandising
 Diploma of Retail Merchandise Management

Sport, Fitness and Recreation

Certificate I in Sport and Recreation
 Certificate II in Sport and Recreation
 Certificate III in Sport and Recreation
 Certificate III in Fitness
 Certificate III in Aquatics and Community Recreation
 Certificate IV in Sport and Recreation
 Certificate IV in Fitness
 Diploma of Sport and Recreation Management
 Diploma of Fitness
 Certificate II in Outdoor Recreation
 Certificate II in Sport Career Oriented Participation
 Certificate II in Sport Coaching
 Certificate III in Outdoor Recreation
 Certificate III in Sport Career Oriented Participation
 Certificate III in Sport Coaching
 Certificate III in Sports Trainer



Certificate III in Sport Officiating
Certificate IV in Outdoor Recreation
Certificate IV in Sport Coaching
Certificate IV in Sport Development
Diploma of Outdoor Recreation
Diploma of Sport Coaching
Diploma of Sport Development



Tourism, Travel and Hospitality

Certificate I in Tourism (Australian Indigenous Culture)
 Certificate I in Hospitality
 Certificate II in Tourism
 Certificate II in Holiday Parks and Resorts
 Certificate II in Hospitality
 Certificate II in Kitchen Operations
 Certificate II in Asian Cookery
 Certificate III in Tourism
 Certificate III in Travel
 Certificate III in Guiding
 Certificate III in Holiday Parks and Resorts
 Certificate III in Events
 Certificate III in Hospitality
 Certificate III in Hospitality (Restaurant Front of House)
 Certificate III in Commercial Cookery
 Certificate III in Catering Operations
 Certificate III in Patisserie
 Certificate III in Asian Cookery
 Certificate IV in Travel and Tourism
 Certificate IV in Guiding
 Certificate IV in Holiday Parks and Resorts
 Certificate IV in Hospitality
 Certificate IV in Commercial Cookery
 Certificate IV in Catering Operations
 Certificate IV in Patisserie
 Certificate IV in Asian Cookery
 Diploma of Travel and Tourism Management
 Diploma of Holiday Park and Resort Management
 Diploma of Event Management
 Diploma of Hospitality Management
 Advanced Diploma of Travel and Tourism Management
 Advanced Diploma of Event Management
 Advanced Diploma of Hospitality Management

Training and Education

Certificate IV in Training and Assessment
 Diploma of Vocational Education and Training
 Diploma of Training Design and Development
 Graduate Diploma of Adult Language, Literacy and Numeracy Practice
 Graduate Diploma of Adult Language, Literacy and Numeracy Leadership

Graduate Certificate in Digital Education

Transport and Logistics

Certificate I in Transport and Logistics (Pathways)
 Certificate I in Warehousing Operations
 Certificate I in Logistics
 Certificate II in Road Transport Terminal Operations
 Certificate II in Driving Operations
 Certificate II in Rail Infrastructure
 Certificate II in Stevedoring
 Certificate II in Warehousing Operations
 Certificate II in Logistics
 Certificate II in Track Protection
 Certificate II in Shunting
 Certificate II in Rail Track Vehicle Driving
 Certificate II in Tram or Light Rail Infrastructure
 Certificate II in Rail Customer Service
 Certificate II in Furniture Removal
 Certificate III in Mobile Crane Operations
 Certificate III in Driving Operations
 Certificate III in International Freight Forwarding (Operator)
 Certificate III in Rail Driving
 Certificate III in Warehousing Operations
 Certificate III in Rail Track Surfacing
 Certificate III in Mechanical Rail Signalling
 Certificate III in Rail Structures
 Certificate III in Electric Passenger Train Guard
 Certificate III in Logistics
 Certificate III in Rail Infrastructure
 Certificate III in Rail Signalling
 Certificate III in Track Protection
 Certificate III in Rail Yard Coordination
 Certificate III in Tram or Light Rail Infrastructure
 Certificate III in Heritage Locomotive Assistant or Steam Locomotive Fireman
 Certificate III in Rail Customer Service
 Certificate III in Terminal Train Driving
 Certificate III in Furniture Removal
 Certificate III in Waste Driving Operations
 Certificate III in Stevedoring
 Certificate IV in Rail Safety Investigation
 Certificate IV in Transport Scheduling
 Certificate IV in Mobile Crane Operations
 Certificate IV in Transport and Logistics (Road Transport - Car Driving Instruction)



Certificate IV in Transport and Logistics
(Road Transport - Heavy Vehicle Driving
Instruction)

Certificate IV in Transport and Logistics
(Road Transport - Motorcycle Riding
Instruction)

Certificate IV in Materiel Logistics

Certificate IV in International Freight

Forwarding (Senior Operator)

Certificate IV in Stevedoring Operations

Certificate IV in Warehousing Operations

Certificate IV in Logistics

Certificate IV in Driving Operations

Certificate IV in Rail Network Control

Certificate IV in Rail Infrastructure

Certificate IV in Rail Safety Management

Certificate IV in Traffic Operations

Certificate IV in Train Driving

Certificate IV in Tram/Light Rail Control

Diploma of Materiel Logistics

Diploma of International Freight

Forwarding

Diploma of Logistics

Diploma of Deployment Logistics

Diploma of Rail Operations Management

Diploma of Bus and Coach Operations

Diploma of Customs Broking

Advanced Diploma of Materiel Logistics

Advanced Diploma of Deployment

Logistics

Certificate II in Split Air-conditioning and

Heat Pump Systems

Certificate III in Air-conditioning and

Refrigeration

Certificate IV in Air-conditioning and

Refrigeration Servicing

Certificate IV in Air-conditioning Systems

Energy Management and Control

Certificate IV in Refrigeration and Air-

conditioning Systems

Diploma of Engineering Technology -

Refrigeration and Air-conditioning

Diploma of Air-conditioning and

Refrigeration Engineering

Advanced Diploma of Electrical -

Engineering

Advanced Diploma of Electrical

Engineering - Coal Mining

Advanced Diploma of Engineering

Technology - Air-conditioning and

Refrigeration

Advanced Diploma of Air-conditioning and
Refrigeration Engineering

Electrotechnology

Certificate I in ElectroComms Skills

Certificate II in Winding and Assembly

Certificate II in Computer Assembly and

Repair

Certificate II in Data and Voice

Communications

Certificate II in Electrical Wholesaling

Certificate II in Electronic Assembly

Certificate II in Fire Alarms Servicing

Certificate II in Antennae Equipment

Certificate II in Remote Area Power

Supply Maintenance

Certificate II in Security Assembly and

Set-up

Certificate II in Technical Support

Certificate II in Electronics

Certificate II in Electrotechnology (Career

Start)

Certificate II in Sustainable Energy

(Career Start)

Certificate III in Business Equipment

Certificate III in Computer Systems

Equipment

Certificate III in Custom Electronics

Installations

Certificate III in Data and Voice

Communications

Certificate III in Electrical Machine Repair

Certificate III in Switchgear and

Controlgear

Certificate III in Electrotechnology

Electrician

Certificate III in Electronics and

Communications

Certificate III in Fire Protection Control

Certificate III in Gaming Electronics

Certificate III in Instrumentation and

Control

Certificate III in Security Equipment

Certificate III in Rail - Communications

and Networks

Certificate III in Renewable Energy - ELV

Certificate III in Appliance Service

Certificate III in Electrical Fitting

Certificate IV in Computer Systems

Certificate IV in Electrical - Data and Voice

Communications



Certificate IV in Installation Inspection and Audits
 Certificate IV in Electrical - Instrumentation
 Certificate IV in Electrical - Air-conditioning Split Systems
 Certificate IV in Electrotechnology - Systems Electrician
 Certificate IV in Electronics and Communications
 Certificate IV in Electrical - Fire Protection Control Systems
 Certificate IV in Industrial Electronics and Control
 Certificate IV in Energy Management and Control
 Certificate IV in Electrical - Lift Systems
 Certificate IV in Electrical - Rail Signalling
 Certificate IV in Video and Audio Systems
 Certificate IV in Renewable Energy
 Certificate IV in Rail - Communications and Network Systems
 Certificate IV in Electrical - Renewable Energy
 Certificate IV in Electrical - Photovoltaic systems
 Certificate IV in Electrotechnology - Electrical Contracting
 Certificate IV in Instrumentation and Control
 Certificate IV in Hazardous areas - Electrical
 Certificate IV in Electrical Equipment and Systems
 Certificate IV in Energy Efficiency and Assessment
 Certificate IV in Industrial Automation and Control
 Diploma of Computer Systems Engineering
 Diploma of Electrical and Instrumentation
 Diploma of Electrical and Refrigeration and Air-conditioning
 Diploma of Electrical Engineering
 Diploma of Electronics and Communications Engineering
 Diploma of Renewable Energy Engineering
 Diploma of Research and Development
 Diploma of Industrial Electronics and Control Engineering

Diploma of Instrumentation and Control Engineering
 Diploma of Electrical Systems Engineering
 Advanced Diploma of Electronics and Communications Engineering
 Advanced Diploma of Computer Systems Engineering
 Advanced Diploma of Industrial Electronics and Control Engineering
 Advanced Diploma of Renewable Energy Engineering
 Advanced Diploma of Automated Systems Maintenance Engineering
 Advanced Diploma of Engineering - Explosion protection
 Advanced Diploma of Instrumentation and Control Engineering
 Advanced Diploma of Engineering Technology - Electronics
 Advanced Diploma of Engineering Technology - Computer Systems
 Advanced Diploma of Engineering Technology - Renewable Energy
 Advanced Diploma of Engineering Technology - Electrical
 Advanced Diploma of Electrical Systems Engineering

Gas Industry

Certificate II in Gas Supply Industry Operations
 Certificate III in Gas Supply Industry Operations
 Certificate IV in Gas Supply Industry Operations
 Diploma of Gas Supply Industry Operations
 Advanced Diploma of Gas Supply Industry Operations

Electricity Supply Industry - Generation Sector

Certificate II in ESI Generation - Operations Support
 Certificate II in Remote Area Essential Service
 Certificate III in ESI Generation - Systems Operations
 Certificate III in ESI Generation - Operations
 Certificate IV in ESI Generation - Systems Operations



Certificate IV in ESI Generation -
Operations
Certificate IV in ESI Generation
Maintenance - Electrical Electronics
Certificate IV in ESI Generation
Maintenance (Fabrication)
Certificate IV in ESI Generation
Maintenance (Mechanical)
Certificate IV in Large Scale Wind
Generation - Electrical
Diploma of ESI Generation - Systems
Operations
Diploma of ESI Generation - Operations
Diploma of ESI Generation (Maintenance)
Diploma of ESI Generation Maintenance -
Electrical Electronic

**Transmission, Distribution and Rail
Sector**

Certificate II in National Broadband
Network Cabling (Electricity Supply
Industry Assets)
Certificate II in ESI - Powerline Vegetation
Control
Certificate II in Transmission Structure
and Line Assembly
Certificate II in ESI - Asset Inspection
Certificate III in ESI - Power Systems -
Transmission Overhead
Certificate III in ESI - Power Systems -
Distribution Overhead
Certificate III in ESI - Power Systems -
Rail Traction
Certificate III in ESI - Power Systems -
Distribution Cable Jointing
Certificate III in ESI - Remote Community
Utilities Worker
Certificate IV in ESI - Network Systems
Certificate IV in ESI - Power Systems
Substations
Certificate IV in ESI - Power Systems
Network Infrastructure
Diploma of ESI - Power Systems
Diploma of ESI - Power Systems
Operations
Advanced Diploma of ESI - Power
Systems
Advanced Diploma of ESI - Power
Systems Operations

Source: Training.gov.au.



Appendix E Figure descriptions

Figure 1.1: VET students, by training type, 2017

Figure 1.1 is a chart that shows the distribution of VET student enrolments in different types of training in 2017.

In 2017, 51% of VET students were enrolled in short courses, 35% were enrolled in institutional VET qualifications, 8% of students were apprentices and trainees, 5% were enrolled in VET in Schools, and less than 1% were Australian School-based Apprentices.

Go back to [Figure 1.1](#).

Figure 1.2: Trends in total and government-funded students, 2003 to 2017

Figure 1.2 is a line chart that shows the number of government-funded VET students over the period 2003 to 2017. The graph also shows total VET students, the numbers of which are only available for the period 2015 to 2017.

It shows that government-funded VET students gradually increased from 1.3 million in 2003 to a peak of 1.5 million in 2012, and then declined to 1.2 million in 2017. Total VET students rose from 4.0 million in 2015 to 4.2 million in 2017.

Go back to [Figure 1.2](#).

Figure 1.3: Top 20 training packages by enrolments, 2017

Figure 1.3 is a graphic that shows the 20 training packages that had the greatest number of enrolments in 2017.

The largest share of enrolments was in Business Services; followed by Community Services; Tourism, Travel and Hospitality; and Construction, Plumbing and Services Integrated Framework. The next 16 packages were: Sport, Fitness and Recreation; Transport and Logistics; Health; Financial Services; Property Services; Agriculture, Horticulture and Conservation and Land Management; Auto Industry Retail, Service and Repair; Resources and Infrastructure; Creative Arts and Culture; Retail Services; Foundation Skills; Information and Communications Technology; Electrotechnology; Metal and Engineering; Hairdressing and Beauty Services; and Training and Education.

Go back to [Figure 1.3](#).



Figure 1.4: Trend in apprentices and trainees in-training by trade and non-trade occupations, 30 September 2008 to 30 September 2018

Figure 1.4 is a bar chart that shows the number of apprentices and trainees in training at 30 September each year from 2008 to 2018, broken down by those training in trade and non-trade occupations.

It shows the number of apprentices and trainees in non-trade occupations has changed significantly over this period, increasing from around 226,000 in 2008 to a peak of around 275,000 in 2012, before then declining to around 94,000 in 2018.

In contrast, the number of apprentices and trainees in trade occupations remained relatively stable at around 210,000 from 2008 to 2013, and then gradually declined to 173,000 in 2018.

Go back to [Figure 1.4](#).

Figure 1.5: Schematic of the current VET system

Figure 1.5 identifies the main bodies that are part of the current VET system.

At the government level, the Commonwealth Minister, state and territory ministers, and the COAG Industry and Skills Council have a role, which is sometimes exercised through the Commonwealth departments and the state and territory departments and training authorities.

The main VET agencies and bodies in the current VET system are the Unique Student Identifier (USI) Office; the National Centre for Vocational Education Research (NCVER), a Commonwealth, state and territory company; the Australian Skills Quality Authority (ASQA); the VET Student Loans (VSL) Ombudsman; the Australian Apprenticeship Support Network (AASN); the Australian Industry and Skills Committee (AISC); Industry Reference Committees (IRCs); Skills Service Organisations (SSOs); the Victorian Registration and Qualifications Authority (VRQA); and the Training Accreditation Council (Western Australia).

The VET participants are registered training organisations; employers; and students, apprentices and trainees.

There are multiple relationships between the government bodies, the VET agencies and bodies, and VET participants.

Go back to [Figure 1.5](#).

Figure 1.6: Total government expenditure into the VET system

Figure 1.6 is a bar and line chart that shows total government expenditure into the VET system from 2008-09 to 2017-18, in both real and nominal dollars.

Total nominal expenditure increased from around \$6.4 billion in 2008-09 to a peak of around \$8.4 billion in 2014-15. This then gradually decreased to around \$6.2 billion in 2017-18.

The real expenditure increased from around \$7.8 billion in 2008-09 to a peak of around \$9.4 billion in 2014-15. This then decreased to \$6.2 billion in 2017-18.

Go back to [Figure 1.6](#).



Figure 2.1: Government-funded student enrolments by sector, 2003 to 2017

Figure 2.1 is a line chart showing government-funded student enrolments in higher education (undergraduate) and in VET from 2003 to 2017.

It shows that between 2003 and 2017, enrolments in higher education undergraduate courses increased from around 430,000 in 2003 to around 810,000 in 2017. Over the same period, government funded VET student enrolments were around 1.3 million in 2003, increased to around 1.5 million in 2012, and then decreased to around 1.2 million in 2017.

Go back to [Figure 2.1](#).

Figure 4.1: Training package development and endorsement process policy

Figure 4.1 is a graphic that shows the training package development and endorsement process policy. This process includes stages for consultation with stakeholders, independent training package quality assurance, and validation by industry and other stakeholders.

The process follows the following steps:

- IRC Skills forecast and proposed schedule of works is developed by IRC/SSO
- National Review Schedule is agreed by the AISC
- Case for change is developed by SSO as required
- Case for change is approved by the AISC
- Training package products are drafted by the SSO
- Training package products are validated by industry
- Case for endorsement is submitted to ASIC
- AISC approval for implementation
- CISC Endorsement.

Go back to [Figure 4.1](#).

Figure 5.1: Trends in total public expenditure on higher education, VET and schools, 2008–09 to 2016–17

Figure 5.1 is a line chart showing trends in total public expenditure on each of the higher education, VET and schools sectors over the period 2008-09 to 2016-17.

It shows that over that eight year period, expenditure on schools increased from around \$47 billion to around \$58 billion (a change of 28%), and expenditure on higher education increased from around \$12 billion to around \$16 billion (a change of 24%). In contrast, expenditure on VET was around \$7.6 billion in 2008-09, rose to a peak of \$9.2 billion, and then decreased to \$7.1 billion in 2016-17 (a total change of -6.7%).

Go back to [Figure 5.1](#).



Figure 5.2: Overview of VET public funding, for 2017–18

Figure 5.2 is a graphic that gives an overview of the main sources of funding for the VET sector and funding provided in 2017-18.

It shows that the Australian Government contributed \$1.7 billion in payments to state and territory governments under the NASWD and NPA. State and territory governments contributed an estimated \$3.0 billion to state and territory subsidised VET markets. These two funding sources combined to an estimated total of \$4.7 billion of combined government funding for state and territory subsidised VET markets.

In addition, the Australian Government provided \$1.2 billion for direct Commonwealth programs, including \$16 million for industry competitiveness, \$704 million for skills development, \$379 for access to training, and \$88 million for support for the National Training System. The Australian Government also contributed \$465 million for income contingent loans.

The total government funding for VET in 2017-18 is estimated to be \$6.4 billion.

Go back to [Figure 5.2](#).

Figure 6.1: Misalignment between job aspiration and educational intention

Figure 6.1 shows the level of misalignment between job aspiration and educational intention amongst survey respondents. The figure separates respondents into three cohorts based on the education needed for their 10 year aspirational job (bachelors+, certificates+, and no specific education), and then breaks down each of these cohorts into three groups reflecting the maximum level of education completed, doing or planned for the next 3 years (high school, certificate/apprenticeship/diploma, or bachelors+). It then identifies which groups of students are expected to be underqualified or overqualified for their aspirational job.

The cohort of respondents whose aspirational job required a bachelors+ level qualification included 1,350 people; 8% of this cohort intended a maximum level of education of a high school qualification ('underqualified'), 33% intended a certificate/apprenticeship/diploma ('underqualified'), and 59% intended a bachelors+ qualification.

The cohort whose aspirational job required a certificate+ level qualification included 571 people; 11% of this cohort intended a maximum level of education of a high school qualification ('underqualified'), 44% intended a certificate/apprenticeship/diploma level qualification, and 45% intended a bachelors+ qualification ('overqualified').

The cohort whose aspirational job required no specific education included 239 people; 26% of this cohort intended a maximum level of education of a high school qualification, 49% intended a certificate/apprenticeship/diploma level qualification ('overqualified'), and 26% intended a bachelors+ qualification ('overqualified').

Go back to [Figure 6.1](#).



Figure 7.1: Secondary student enrolments in VET, by AQF level, 2006–2017

Figure 7.1 is a stacked bar chart that shows the number of secondary student enrolments in different level VET qualifications for each year of the period 2006 to 2017.

It shows that the overall numbers of secondary students enrolling in VET has increased over the period, from around 260,000 in 2006 to around 370,000 in 2017. The chart also shows that the share of enrolments in certificate I level programs has decreased, while the share of enrolments in certificate II and certificate III level programs has increased.

In 2017, around 50,000 students enrolled in certificate I level programs, around 220,000 students enrolled in certificate II level programs, around 92,000 students enrolled in certificate III level programs, around 3,500 students enrolled in certificate IV level programs, and around 4,000 students enrolled in diploma or higher level programs.

Go back to [Figure 7.1](#).

Figure 8.1: Indigenous and non-Indigenous government-funded enrolments by AQF, 2003–17

Indigenous

The first chart of figure 8.1 shows Indigenous government-funded enrolments across four AQF level programs: certificates I/II, certificate III, certificate IV, and diploma/advanced diploma level, from 2003 to 2017.

It shows that the highest number of government-funded enrolments for Indigenous students have been at the certificate I/II level, at around 38,000 in 2017. Over the 2003 to 2017 period, the enrolments in certificate III level courses have been steadily increasing, from around 13,000 in 2003 to around 37,000 in 2017. Enrolments in certificate IV and diploma/advanced diploma courses are at a lower levels.

Go back to [Figure 8.1 Indigenous](#).

Non-Indigenous

The second chart of figure 8.1 shows non-Indigenous government-funded enrolments across four AQF level programs: certificates I/II, certificate III, certificate IV, and diploma/advanced diploma level, from 2003 to 2017.

It shows that the highest number of government-funded enrolments for non-Indigenous students have been at the certificate III level, at around 500,000 in 2017.

Go back to [Figure 8.1 Non-Indigenous](#).



Figure 9.1: Roadmap to stronger skills sector

Figure 9.1 is a graphic showing a roadmap to a stronger skills sector, identifying early actions, medium term actions and the desired end state for each theme of the report's six-point plan.

The early actions support a new clearly defined vision for VET. The early actions are:

- Strengthen quality assurance in VET sector
- ASQA improves information about audit processes
- Pilot Skills Organisations (SOs) – industry-led and managed model for developing qualifications
- Introduce benchmark hours
- Establish the National Skills Commission (NSC)
- Commence skills demand forecasts and pricing work
- Revamp apprenticeships incentives
- Establish the National Career Institute (NCI)
- Launch a national VET marketing campaign
- NCI identifies vocational pathways in school subjects
- Governments and ASQA act to boost industry confidence in VET delivery in schools
- Design a new national agreement for language, literacy, numeracy and digital literacy (LLND)
- More effective support for priority equity VET students to improve outcomes

The medium term actions support an agreed strategic direction which guides reform with focus on performance and outcomes for qualification-based VET. The medium term actions are:

- ASQA regulatory approach evolves to include educative approach
- Pilot independent assessments, proficiency assessment
- Effective consumer protection arrangements for students including a sector-wide VET Ombudsman
- SOs rollout for qualification development and other tasks
- ASQA takes on responsibility for qualification approval
- AQF integrity measures in place and short-form credentials
- New national agreement for funding and skills matching
- NSC manages Commonwealth VET programs and costing and funding arrangements for national agreement



- SOs to manage apprenticeship support for their employers
- NCI fulfils lead role in consumer and careers information with a range of platforms and material available
- SOs promote VET careers in their industry
- Agreed national funding model for VET in schools
- VET in schools delivers clear robust pathways to vocational careers. SOs to assist
- SOs to promote VET careers to school students
- New national agreement in place supporting access to free LLND
- Support more Indigenous-owned and operated RTOs
- Link VET to wrap-around services for vulnerable students
- Learning hubs for students in rural and remote areas

The end state arrangements support a vision that is ongoing and reviewed in light of experience and new developments. The end state arrangements are:

- ASQA is the single national regulator for VET
- High confidence in the quality delivered by providers
- RTOs understand and comply with streamlined audit process and quality training is recognised
- Fast efficient system for approving VET qualifications
- SOs lead industry qualification development which meets their labour market needs
- Nationally consistent and transparent government funding that responds to local skills needs
- Simpler effective apprenticeships incentives for employers and apprentices
- Public funding for VET expanded over time to achieve neutral subsidies between VET and higher education
- Prospective students have accurate, nationally consistent data on VET qualifications and make better choices for their careers
- NCI leads development of improved information to support SOs and others promoting VET
- VET pathways from school equivalent to university pathway
- Secondary school students access vocational qualifications leading to real jobs or further education
- Employers have confidence in VET for school students
- All Australians who need it can gain LLND skills to gain entry to work.



Go back to [Figure 9.1](#) or go back to [Executive Summary](#).

Figure 9.2: Schematic of long run future VET system

Figure 9.2 identifies the main bodies that are part of the long run future VET system.

At the government level, the Commonwealth Minister, state and territory ministers, and the COAG Industry and Skills Council have a role, which is sometimes exercised through the Commonwealth departments and the state and territory departments and training authorities.

The main VET agencies and bodies in the long run future state are the Unique Student Identifier (USI) Office; the National Centre for Vocational Education Research (NCVER), a Commonwealth, state and territory company; the Australian Skills Quality Authority; the VET Ombudsman; the National Skills Commission; the National Careers Institute; and Skills Organisations.

The VET participants are registered training organisations; employers; and students, apprentices and trainees.

There are multiple relationships between the government bodies, the VET agencies and bodies, and VET participants.

Go back to [Figure 9.2](#).



Abbreviations and acronyms

AAIP	Australian Apprenticeships Incentives Program
AASN	Australian Apprenticeship Support Network
ACPET	Australian Council for Private Education and Training
ACL	Australian Consumer Law
ACSF	Australian Core Skills Framework
Ai Group	Australian Industry Group
AISC	Australian Industry and Skills Committee
AMEP	Adult Migrant English Program
ANTA	Australian National Training Authority
AQF	Australian Qualifications Framework
ASbA	Australian School-based Apprenticeship
ASQA	Australian Skills Quality Authority
AVETMISS	Australian VET Management Information Statistical Standard
ATAR	Australian Tertiary Admission Rank
ATO	Australian Taxation Office
BCA	Business Council of Australia
CEDA	Committee for Economic Development of Australia
COAG	Council of Australian Governments
CISC	COAG Industry and Skills Council
DET	Department of Education and Training (Commonwealth)
DJSB	Department of Jobs and Small Business (Commonwealth)
FSAT	Foundational Skills Assessment Tool
IRC	Industry Reference Committee
LLND	Language, literacy, numeracy and digital (skills)
MCA	Minerals Council of Australia
NASWD	National Agreement for Skills and Workforce Development
NCI	National Careers Institute
NCVER	National Centre for Vocational Education Research
NPASR	National Partnership Agreement on Skills Reform



NPSAF	National Partnership Agreement on the Skilling Australians Fund
NSC	National Skills Commission
NSNL	National Skills Needs Lists
NSPLA	National Skills Priority List for Apprentices
NTF	National Training Framework
NVETR Act	<i>National Vocational Education and Training Regulator Act 2011 (Cth)</i>
NZQA	New Zealand Qualifications Authority
OECD	Organisation for Economic Co-operation and Development
PIAAC	Programme for the International Assessment of Adult Competencies (OECD)
QCAA	Queensland Curriculum and Assessment Authority
RTO	Registered Training Organisation
SO	Skills Organisations
SSO	Skills Service Organisations
TAE	Training and Assessment
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality Standards Agency
TPS	Tuition Protection Service
USI	Unique Student Identifier
VET	Vocational education and training
VSL	VET Student Loans
VSLO	VET Student Loans Ombudsman