

INQUIRY INTO VOCATIONAL EDUCATION AND TRAINING IN NEW SOUTH WALES

Organisation: NSW Community Services and Health Industry Training Advisory
Body (CSH ITAB)

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Community Services and Health Industry Training Advisory

Body submission to the
inquiry into Vocational
Education and Training in
New South Wales

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NSW CSH ITAB submission to the Inquiry into Vocational Education And Training in New South Wales

Preamble

The NSW Community Services and Health Industry Training Advisory Body (CSH ITAB) welcomes the opportunity to provide a submission to the Legislative Council of New South Wales' inquiry into vocational education and training (VET) in New South Wales.

CSH ITAB occupies a unique position in NSW. CSH ITAB is an independent organisation with a voluntary Board of Directors representing employers, peak bodies and unions from across the industry, providing advice to the NSW Government and to the industry sectors we represent on matters related to policy, funding, skills priorities and delivery of vocational education and training. Community services and health (CSH) continues to be Australia's largest and fastest growing employer, employing 12% of the Australian workforce. It is a broad and diverse industry and, in NSW the CSH ITAB is the nexus for these many sectors with our focus on the workforce. The CSH ITAB stretches across this diversity and breadth, working in collaboration to identify and support emerging workforce trends, providing a coherent voice for the promotion of skills and training advice to assist with high quality training and delivery processes. We create and facilitate connection across industry, government, unions, peak bodies, regulators and Registered Training Organisations (RTOs) to ensure we are all working together to develop a skilled, responsive and valued community services and health workforce.

In 2011, vocationally qualified people represented over 35% of the CSH workforce with a further 19% unqualified workers for whom a VET qualification could offer the step onto a career pathway. National Centre for Vocational Education Research (NCVER) figures indicate a continual growth in enrolments into qualifications in both the Community Services and Health Training Packages from 2009 to 2013, however feedback to CSH ITAB in the past six months indicates a weakening in enrolments in these vocational courses and a decline in employer engagement. A key outcome from the NSW ITABs research paper, *Vocational Education and Training (VET) in 2015: Views and Responses of NSW Employers and RTOs*¹ indicated that investment in VET is waning. In NSW we have seen a 20% drop in new entrant trainees in this financial year (2014-2015) compared to last financial year (2013 – 2014) and a 36% drop for existing workers over the same period. If this trend continues it is difficult to see how the industry's required workforce growth, projected to be 230,000 new jobs between 2013 and 2018, will be achieved. The projections suggest a particularly strong growth in VET-qualified occupations such as Aged and Disability Carers, Community Services and Community Support Workers in Home and Community Settings and Early Childhood Education and Care workers. Alongside this we have seen an overall reduction in VET funding across Australia of 25% between 1999 and 2011.

A snapshot of publicly funded VET in New South Wales

According to statistics available from the National Centre for Vocational Education Research (NCVER), in 2013 and 2014:

- Over 25% of students were aged 15 – 19 of which more than one third were employed
- Over 25% of students were aged 20 – 29 of which more than two thirds were employed
- Over 50% of students were female
- Nearly 60% of students lived in the major cities
- 78% of students were receiving training which was government funded.²

¹ NSW ITABs (2015), VET in 2015: Views and responses of NSW employers and Registered Training Organisations, Sydney, August.

² National Centre for Vocational Education Research, 2015, VOCSTATS, Government funded students and courses database



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Vocational pathways for schools

There are many reasons why students pick VET courses – interest; a pathway to a career once finished school (traineeship or directly into a full paying job role); a pathway to a higher education qualification in an associated area (allied health assisting, aged care/nursing); an opportunity to gain a VET qualification and use this to gain a job while undertaking further education after school (school age education and care).

In many instances integrating a VET course with the HSC involves significant commitment on the part of the student, with mandated hours of work-placement, on the job assessment and supervised practice, time away from school and perhaps missed classes for other subjects which are required to be made up, additional cost to attend these classes and requirements of the course. For students electing to complete a school based traineeship, 100 days must be spent in the workplace.

Not all schools offer the same VET pathways to all students and for schools it is often a matter of negotiation with an RTO to provide the learning and assessment for students as schools do not have qualified staff to deliver the ten available school based qualification pathways from either the Community Services or Health Training Packages.

The Smart and Skilled approach to government subsidised training allows a student to complete a vocational qualification in the HSC without impacting on their ability to access a funded qualification once they have left school.

Vocational education and training for the broader community

There is an expectation for VET to prepare new workers and upskill the existing workforce and offer alternative pathways for young people and second chances to disadvantaged adult learners. This would indicate a plethora of factors influencing people entering the VET environment – gaining a job, moving up the career pathway within an organisation, accessing education to move out of unemployment or social security environments, reskilling following retrenchment or industry closures, etc. The CSH sector also has a large Aboriginal workforce in comparison to other sectors and access to becoming VET qualified is critical, offering career opportunities and meaningful job outcomes.

Additionally, in our sectors we also see VET being accessed by people with a higher education qualification looking for the specific vocational competencies for the job role they find themselves in, for example: alcohol and other drugs, mental health, problem gambling, counselling, case management, domestic violence, financial counselling. In this case access to skill sets and part qualifications becomes valuable rather than full qualifications.

To enable VET to tackle this multifaceted expectation requires complex coordination of policy settings and services, a proficient workforce both within government and industry working closely and collaboratively with those implementing VET. Smart and Skilled, as the policy environment for NSW VET, has not yet proven itself to meet the flexibility required to address this breadth of scope and expectation. The increased cost of a qualification to the candidate, or the employer if that is an option; the limitation of government subsidised funding capped at Certificate III when many job roles across the CSH sectors have Certificate IV or Diploma as entry level; the up-front fees for a trainee which, unlike an apprenticeship, is not capped, have all created barriers for our industry sector and potential workforce.



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The current State Plan *NSW 2021: A Plan to Make NSW Number One* has many goals which will be impacted by the complexity and additional cost of Smart and Skilled. Some to note:

Reduce the gap in employment outcomes between Aboriginal and non- Aboriginal people within a decade • Increase the proportion of young people in employment or learning (15–24 years) • Increase the proportion of people over 55 participating in employment • Increase the proportion of women employed in non-traditional occupations in NSW • More people gain higher level tertiary qualifications • 50% increase in the proportion of people between the ages of 20 and 64 with qualifications at AQF Certificate III and above by 2020 • 100% increase in the number of completions in higher level qualifications at Diploma level and above by 2020 • 20% increase in the number of completions in higher level VET qualifications at AQF Certificate III and above by women by 2020 • 20% increase in the number of completions in higher level VET qualifications at AQF Certificate III and above by students in rural and regional NSW by 2020 • 20% increase in the number of completions in higher level VET qualifications at AQF Certificate III and above by Aboriginal students by 2020 • More young people participate in post school education and training • 90% of young people who have left school are participating in further education and training or employment by 2020 • 10% increase in the number of apprenticeship and traineeship completions by 2016, including in rural and regional NSW.

All could be a significant challenge to achieve with some of the counter-intuitive changes brought about by Smart and Skilled including the current reduction in RTOs providing government funded qualifications and the increased up-front costs to candidates. In our sectors where wages are traditionally low and many employers are services funded to provide outcomes to vulnerable clients (this funding does not support professional development or training of staff), these barriers mean VET is becoming inaccessible. Additionally, taking on a debt (VET Fee Help) to achieve the higher level qualifications required for many of our job roles sets these workers up for a significant period of repayments and catch up as their debt grows with the interest and their salaries stay comparatively low.

Employers and VET

In the recent research paper produced by the NSW ITABs, *Vocational Education and Training (VET) in 2015: Views and Responses of NSW Employers and RTOs*³ over 48% of the employer respondents stated that their reason for spending less on VET in the financial year 2014/15 was that they refocused their budget on training other than VET due to VET costs. One quarter of the respondents indicated they were investing more on non-accredited options. Factors influencing employer's uncertainty regarding their future expenditure on VET were primarily related to changes brought about by Smart and Skilled, particularly the higher costs of courses, the complexity of the new system and lack of choice over RTOs who can deliver under Smart and Skilled.

Interestingly, when anticipating an increase in expenditure on VET in 2015/16 a smaller proportion intended to provide full qualifications at Cert III or IV and more thought they would increase their investment in skill sets and part qualifications. In sectors where existing workers require increasingly greater knowledge and skills to deal with increasingly more complex clients, this current VET environment does not adequately recognise or address the ongoing educational and training needs of our workforce.

³ NSW ITABs (2015), *VET in 2015: Views and responses of NSW employers and Registered Training Organisations*, Sydney, August.



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A recurring theme from employers is the Smart and Skilled criteria used to determine individual eligibility for funding as it discriminates against those who may have completed an equivalent or higher level qualification in the past but who need to reskill to compete in the current employment market – it does not provide any flexibility for ‘change of career’ employees. Again, for CSH and the projected workforce growth in the next 5 years, this is a significant barrier to developing our workforce.

Additionally, the perception of being forced into relationships with specific RTOs (following the Departmental process of selecting those who can deliver funded places and their regional footprint) rather than being able to continue to work with the RTO of their choice has been a bone of contention.

In conclusion

Employers, RTOs and potential candidates report increased complexity in accessing funding and navigating the system, increased costs for training making it prohibitive, decreased options in training provision, inconsistency of geographical allocations for training funding, insufficient funding for high cost programs as some of the issues they have experienced.

The NSW ITABs’ research identified five priority areas for NSW VET:

Place the consumer (employers and candidates) at the centre of the VET system

- Develop and market a system that is well communicated and simple to understand and access by consumers; provide flexibility in the system so that employers have the opportunity to work with the quality training providers of their choice; change the current supply-driven model into a truly demand-driven system.

Fix the funding

- Allow funded RTOs to set their administration fees as means of increasing price flexibility; provide additional financial incentives for employers to recruit new and existing worker trainees; provide funding for flexible, responsive skill sets drawn from any qualification, according to employer or student need.

Provide greater user choice of funded RTOs

- Open up the market to all quality RTOs without restrictions on geographical boundaries for delivery.

Assess and monitor quality of RTOs

- Use rigorous and transparent assessment processes when selecting and monitoring RTOs; incorporate the receipt of feedback from clients and students and involve an assessment panel made up of industry and Departmental representatives.

Test proposed policy changes with VET advisory representatives prior to implementation

- When reviewing and/or proposing policy changes associated with Smart and Skilled, involve representatives from industry and training providers to ameliorate any issues or challenges before policies are implemented.⁴

⁴ NSW ITABs (2015), VET in 2015: Views and responses of NSW employers and Registered Training Organisations, Sydney, August.