



## Brotherhood of St Laurence

Working for an Australia free of poverty  
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National Skills Commission Taskforce  
Department of Employment, Skills, Small and Family Business  
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### Co-designing the National Skills Commission

#### The Brotherhood works to prevent and address poverty and disadvantage

The Brotherhood of St Laurence is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the Brotherhood continues to fight for an Australia free of poverty. We undertake research, service development and delivery, and advocacy with the objective of addressing unmet needs and translating the understandings gained into new policies, new programs and practices for implementation by government and others.

This submission draws on our practical experience, along with our research and that of others. Our skills and training related work includes:

- **partnering with TAFEs** to support young people to access and sustain engagement with education and training. This includes establishment (with Launch Housing) of **Education First Youth Foyers**. This supportive accommodation, located on TAFE campuses, enables young people experiencing (or at risk of) homelessness to engage in education and training that helps alter their life trajectory.
- **delivering training** to a diverse range of learners – particularly those experiencing disadvantage – through our Group Training Organisation, Learn Local and our former Registered Training Organisation.
- operating the **David Scott School** – a high support model for young people who had fallen out of education. Over 120 senior secondary students are currently undertaking the Victorian Certificate in Applied Learning at the school.
- **innovative employment support models**, sustained by philanthropic, corporate, state and federal funding. The includes delivering the youth-focused Transition to Work program, convening a national Community of Practice of (some) TtW providers and facilitating the **National Youth Employment Body**.
- **Major Australia-wide research projects** commissioned by the National Centre for Vocational Education Research, as well as numerous evaluations of VET related support services.

## Australia's VET system can deliver much better economic and social outcomes

We welcome the opportunity to inform design of the National Skills Commission. The Commission ought to be mandated and equipped to address current systemic shortcomings, and to help reshape Australia's skills and training system to meet 21st century needs.

The current vocational education system faces multiple challenges:

- **The training market has led to waste and reduced quality across the system.** The marketised system is dictating, rather than serving, Australia's vocational education system. There is an imperative to rebuild trust and quality and establish a core training system, as distinct from a training market.
- **Outcomes for equity groups have gone backwards.** Participation levels are falling, particularly for learners experiencing disadvantage including those in regional and rural Australia, people with disability and lower income Australians.
- **The VET system is not developing the workforce our nation needs.** Competency-based training has narrowed learning and is not delivering the occupational proficiency or workforce adaptability needed in our contemporary labour market. It is fundamentally backward-looking, rather than geared for the workforce of the future.
- **The training package qualification/accredited course system struggles to keep up with our changing labour market.** It is both rigid (slow to change, adapt and respond) and fragmented (too many qualifications for narrow, shallow job roles). Efforts and resources are wasted maintaining a qualification system that is cumbersome and underutilised and has not improved the level and proportion of educated and skilled workers in key parts of the labour market.
- **The training system is disjointed.** Australia's vocational training is funded, regulated, purchased and delivered through eight systems with blurred responsibilities, disjointed and ad hoc policy and funding approaches, duplication in some areas and neglect of others. The current COAG Skills Roadmap process is a welcome step in addressing these challenges.
- **Training reform needs to be accompanied by workplace reform.** Reform of the vocational education system alone is not sufficient to create a workforce for the future – it is equally critical to undertake reform in Australian workplaces to create the demand (and conditions, particularly in low-paid, female-dominated sectors) for a quality workforce; and enable ongoing workforce development through skill utilisation and training investment.

## The National Skills Commission has the potential to drive major VET system improvements

If well designed, the National Skills Commission could play a key role in delivering improved social and economic outcomes for learners, employers, local communities and our nation. Our recommendations about the Commission's design are informed by a commitment to the objectives outlined below.

**Australia's vocational education system needs to contribute to the following public policy outcomes:**

- a socially cohesive and fair society
- a population equipped to meet future workforce needs

- an interlinked skills and jobs agenda designed to utilise the opportunities, resources and efforts of diverse regions across Australia
- innovative, engaging and capability building curriculum and pedagogy that helps people realise their potential and maximise their social, civic and economic participation throughout their lives
- reductions in disadvantage and improved life outcomes
- high quality workforces in publicly funded/subsidised services such as disability, aged care, and early years education and care

The proposed objectives and functions of the National Skills Commission cover important areas, but are too narrow. A broader remit is needed if the intention is to position the Commission to deliver on the three national reform priorities of **relevance, quality and accessibility** recently identified by the COAG Skills Council. Unless the Commission is equipped with such a mandate, we question the value of its establishment.

### A clear mandate to improve access and equity is needed

Trends in participation and completions among equity groups are going backwards – particularly for rural and remote communities, people with disability, low income earners, CALD communities and young people (see Appendix). There has also been a marked decline in apprentices and trainees – with commencements dropping a massive 26% since 2014 and completions declining by 47%.<sup>1</sup>

The cost for those who do not have the skills and qualifications to sustain work are immense. Some will face extended reliance on income-support payments and other social services, suffer from poorer health, or become marginalised from their communities. Moreover, the strengths and talents that they can contribute to our nation are in danger of being wasted. There is a vital opportunity to strengthen our productive capacity at a time when, with an ageing population, the proportion of people of working age is in decline. We need to build the skills of all groups. Australia cannot afford to leave significant numbers of people at the margins of the labour market.

Falling participation in VET by equity groups in spite of the increasing demand for qualifications is an indictment on current practices and policies, and calls for urgent attention.

Since the dissolution in 2014 of the National VET Equity Advisory Council (see box), Australia’s skills and training system has lacked a coherent access and equity agenda. Across the nation, approaches to improving outcomes for learners and communities experiencing disadvantage have been passive and patchy. Reduced focus on equity appears to have lowered expectations of training providers and their capacity to address students’ needs.

#### National VET Equity Advisory Council

Established in 2010, NVEAC advised COAG’s Standing Committee on Tertiary Education, Skills and Employment. It reported on participation and outcomes of a wide range of equity groups. It also developed a VET Equity Outcomes Framework, the NVEAC Equity Blueprint 2011–16, a National Report on Social Equity in VET, and sponsored research into equity and access issues. NVEAC was dissolved in 2014.

<sup>1</sup> NCVER 2018, *Apprentices and trainees 2018: June quarter – Australia*, NCVER, Adelaide, <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2018-june-quarter-australia>

We welcome the COAG Skills Council's elevation of *accessibility* as a national priority, and its explicit 'focus on supporting access for disadvantaged Australians'. Short of reconstituting a body such as NVEAC, we see the potential for the National Skills Commission to have the mandate to advance this critical agenda.

Equity targets and measures need to be included in the Commission's key functions

Comprehensive data and measures is pivotal to driving accountability and pedagogical, practice and policy reform.

One of the proposed functions for the Commission is development of performance indicators to measure the outcomes and effectiveness of government investment in the VET sector, and to report that information to both federal and state governments. The Brotherhood believes that access and equity targets and measures are an essential part of this undertaking.

While some equity and access indicators exist in the current VET system's performance framework and are reported annually in the Productivity Commission's *Report on government services*, the categories are too few (Indigenous; People with Disability; and people in rural remote communities) and targets for progress are missing.

NCVER still collects data on several learner groups experiencing disadvantage: Indigenous, those in rural/remote areas, people with disability, low SES; early school leavers/second-chance learners; and CALD communities. This valuable contribution notwithstanding, broader interest in learners and communities experiencing disadvantage has fallen away.

There is a need to develop targets for all equity groups and to transparently monitor progress against them, with participation (enrolments), achievement (completions) and transitions outcomes (employment) measured.

To identify concentrations of priority and/or high needs students, and then guide their VET experience, the following measures (which are already captured<sup>2</sup>) should inform development of an equity framework to drive improved outcomes:

- the purpose and type of training being undertaken – for example, pre-employment training (usually for the young); re-training (for those retrenched or made redundant); upgrading skills training (already employed, but moving); and training for people experiencing long term unemployment,
- uptake by specific training packages, qualifications and qualification levels – ideally capturing both accredited and non-accredited training,
- levels of indebtedness arising from VET Student Loans),
- provider types and whether training is publicly subsidised,
- a regional analysis.

Comprehensive needs-based funding is required across the nation

Poor completion rates among high needs learners are due, in large part, to training providers' difficulties in addressing the learning and wellbeing needs of students. Significant reform of funding mechanisms is urgently needed to improve outcomes.

Developing a national scale of funding loadings to reflect differential costs for rural and remote areas and disadvantaged groups is a proposed function for the Commission. This function needs to be extended to

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<sup>2</sup> These measures are already captured in VOCSTATS, but they are not linked to a target or equity framework.

enable the Commission to drive establishment of nationally coherent base funding approaches (that state and territories could enhance). Options for the Commission to consider include:

**(1) A modified Community Service Obligation<sup>3</sup>:**

Support for TAFE and the capacity of community education has eroded because the funding arrangements for the contestable training market were blind to the distinctive contribution of public providers. As a direct consequence, access to quality training for equity groups has suffered.

A national approach to funding delivery of a Community Service Obligation by our public VET institutions (*and* eligible non-TAFE providers) should be urgently considered. Reviews of earlier iterations of the Community Service Obligation funding for Victoria's TAFEs called for refinements, that we endorse, including:<sup>4</sup>

- specifying the target 'equity groups' covered by the funding,
- directing resources to specific needs associated with individualised learning, wellbeing support and pathway planning,
- linking CSO funding to measurable outcomes in participation, achievement and transitions
- funding for partnership building between the providers and non-educational supports.

Eligibility for CSO funding of non-TAFE providers would be premised on their demonstrated capacity to assist disadvantaged cohorts; the proportion of enrolled students with identifiable needs.<sup>5</sup>

An important caveat to this recommendation is that it should not be narrowly construed as a means to address the consequences of the stark failure and the competitive training market to deliver for equity groups. To do so would risk residualising TAFEs and their student community. Instead, CSOs need to be part of a broader plan to establish a high quality public vocational education system.

**(2) Gonski-inspired needs-based funding:**

Introduction of a national needs -based funding model for VET along the lines of the Gonski-inspired school funding reforms should also be considered. Layered loadings would reflect community and individual student characteristics. A key recommendation of the recent Braithwaite review of ASQA<sup>6</sup> was that the standards of learner support offered by training organisations ought to at least match that required of secondary schools and universities. Consistent approaches to strengthening opportunity and addressing need across the education spectrum would help elevate VET from its current predicament as the poor cousin to schools and universities.

A live challenge to introducing this Gonski inspired approach in the VET sector is ensuring students enrol with providers that have demonstrated commitment and capability to deliver quality supports to high

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<sup>3</sup> The Community Service Obligation mechanism has been a feature of TAFE funding in several states for many years. Monies are earmarked for TAFEs to fulfil the obligation to provide intensive support to vulnerable and high needs learners.

<sup>4</sup> Victorian Government, (authors B McKenzie and N Coulson) 2015, *Final report on VET Funding Review*, [https://www.education.vic.gov.au/Documents/about/department/VET\\_Funding\\_Review.pdf](https://www.education.vic.gov.au/Documents/about/department/VET_Funding_Review.pdf)

<sup>5</sup> A current model is the New South Wales Government's Smart and Skilled ACE Community Service Obligation Program for training providers (offering accredited and non-accredited training) which funds intensive support for regional student cohorts encountering significant barriers to education.

<sup>6</sup> Australian Government (Braithwaite report) 2018, *All eyes on quality: review of the National Vocational Education and Training Regulator Act 2011 report*, [https://docs.education.gov.au/system/files/doc/other/all\\_eyes\\_on\\_quality\\_-\\_review\\_of\\_the\\_nvetr\\_act\\_2011\\_report.pdf](https://docs.education.gov.au/system/files/doc/other/all_eyes_on_quality_-_review_of_the_nvetr_act_2011_report.pdf)

needs learners and communities. The exploitation of vulnerable learners by some for-profit providers points to the need for careful gatekeeping.

#### **Improve access and equity outcomes**

- 1. Include as an objective of the Commission provision of advice on improving outcomes for learners and communities experiencing disadvantage**
- 2. Include as a function of the Commission:**
  - **establishing system wide targets for outcomes across a broad range of equity groups and monitor performance against these targets**
  - **building an evidence base about what works in improving outcomes for learners and communities experiencing disadvantage**
- 3. Task the Commission with developing comprehensive funding options to lift outcomes for learners and communities experiencing disadvantage**

### **Ensuring the vocational education system is delivering the skills and capabilities needed in our changing economy is critical**

As part of its remit the Commission ought to monitor how well the vocational education system is delivering both the hard and soft skills needed in Australia's changing economy. It needs to grapple with how to enable Australians – particularly those on the margins of the labour market – to adjust to and navigate the changing economy. Major upheavals flowing from technological advances, globalisation, climate change, shifting demographics, together with labour market restructuring towards more individualised work, call for adjustments to training products, structures and processes. Critically, the training system needs to be geared to strengthen core knowledge, capabilities and skills, develop transferable skills and promote lifelong learning to enable sustained social and economic participation.

While mindful that the Australian Industry and Skills Committee and its related bodies (including the pilot Skills Organisations) have a connected role, the Commission needs to provide a whole-of-system view. Subject to sound governance arrangements, the Commission could provide an independent voice on these matters, not beholden to sectional interests. Key public policy matters around training packages, curricula and pedagogy must not be effectively outsourced to industry.

The Commission needs to address the current misalignment of what VET delivers and what is needed

It would be valuable for the Commission to report on and address challenges associated with the misalignment between skills acquired through vocational education, and the skills needed in the contemporary labour market. This means it needs to oversee the structure of qualifications and teaching approaches. It also means examining the role and relevance of training packages, which in their current expression fundamentally embed Competency Based Training as the dominant approach. We hope the Commission can be bold and investigate whether and how the training package system might be substantially overhauled or replaced with an alternative course development system. In the more immediate term, it is imperative for courses to incorporate future/personal and basic/foundational skills in addition to technical skills, in line with recommendations from recent reviews of training products.<sup>7</sup>

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<sup>7</sup> Australian Government Department of Education 2017, *Training product reform: issues for discussion*, [https://docs.education.gov.au/system/files/doc/other/training\\_product\\_reform\\_-\\_issues\\_for\\_discussion.pdf](https://docs.education.gov.au/system/files/doc/other/training_product_reform_-_issues_for_discussion.pdf);

We see potential for the Commission, in collaboration with other stakeholders (e.g. the Skills Organisations, Skills Service Organisations, the National Careers Institute, industry, TAFE and RTOs) to play a key role in:

- remodelling training into vocational streams to prepare people for the jobs of the future and labour market uncertainty
- creating ‘principle’ qualifications that are robust and relevant and convey deep knowledge that underpin a vocation– and can be built upon with further learning
- expanding training products to support access and progression in the labour market, mobility, social inclusion and lifelong learning
- driving the development and adoption of learner-centred (but industry sensitive) approaches
- lifting quality, through enhanced training for the vocational education workforce
- piloting innovations to build the evidence base for broader adoption.

Mandating the Commission to look at curricula, pedagogy and training packages is key to delivering COAG’s identified priorities of **relevance** ‘ensuring that VET is relevant and responsive to the job market, employers, industry and learners’ and **quality** ‘actions that support public confidence in the quality and value of VET for students throughout their lives and move it to parity with the higher education system.’

**Ensure the VET system delivers skills and capabilities needed**

- 4. Include as an objective of the Commission provision of advice on reforming vocational qualifications and the structure of learning to strengthen social and economic participation**

### **A vocation education system, not just a training market, is required**

Australia has a public education system of schools and universities, but there is no equivalent vocational education system. Instead, we have a publicly subsidised competitive training market. A fundamental re-think of the distinct and complementary roles that could be played by private and public RTOs is needed.

Although much diminished by the competitive training market, TAFE Institutes continue to exist across the nation. These key institutions are rooted in place and have significant capital (physical, intellectual and cultural). With a broader remit than other providers, TAFEs have an obligation to serve all fields of education, all student backgrounds and all areas of Australia.

There is huge potential to harness and reorient this significant community asset as Australia’s vocational education system gateway. TAFEs could be geared to underpin excellence in education design and delivery, partner with industry around current and emerging workforce needs, and drive local alignment across the skills eco-system (including ACE), related support services, other education providers and employers.

Charged with distinctive role and accountabilities to deliver public good outcomes and public value, their mission could include:

- Harnessing local effort by connecting with students, local communities, local industries, unions, employers, local governments, schools and universities to drive social and economic development in their region.

- Deep engagement with local industry and social partners to co-create high quality courses relevant to the local labour market, student aspiration and the development of decent work.
- Connecting and aligning the skills eco-system in their region and supporting multiple modes and channels of delivery (e.g. supporting workplaces that invest in training)
- Re-building and sustaining a workforce of professional vocational teachers and support staff.
- Supporting students, no matter their individual location, needs and aspirations, to gain education and skills for life and work to the best of their ability.
- A networked approach that connects national, state/territory and local, creating the capacity to respond to specific policy imperatives (e.g. climate change, digitization, specific industry or occupation demands – eg infrastructure and human services)

The Commission could play a pivotal role in building a national vocational education system and shaping its interface with a complementary training market.

#### **A strong vocational education system**

#### **5. Task the Commission with fostering a strong vocational education system, which is distinct and complementary to the training market**

### **The Commission needs to deliver on a shared national agenda through governance that reflects a broad range of interests**

Australia must bring greater coherence to its VET sector. The Commission could advance this aim by being accountable to the Skills Council. It would report to, and deliver on, priorities agreed by the Skills Council (currently *relevance*, *quality* and *accessibility*). If instead the Commission reports only to the Federal Minister, it risks further fragmenting the system.

Along the lines of the former ANTA, the Skills Commission would be jointly owned and, ideally, jointly funded, so all jurisdictions have skin in the game: states, territories and Commonwealth. It would have a board and be an independent entity that could not be captured by one or other government of the day.

Currently, VET system governance does not adequately reflect the full range of stakeholder interests it needs to serve. While industry is a central stakeholder, the VET sector also needs to deliver outcomes for the broader community. It is imperative that the Commission has the short, medium and long-term needs in frame and is able to concurrently advance a range of interests. Ultimately better access, retention and attainment outcomes will deliver system efficiencies and effectiveness and shared benefits for governments and society.

Accordingly, governance of the Commission needs to include diverse stakeholders, particularly education experts and people working with learners and communities experiencing disadvantage. This would enable the National Skills Commission to foster cross sector and cross jurisdiction cooperation.

The Commission's work must be transparent. An annual report, tabled in all Australian parliaments, could report on performance against objectives – including a statement on progress against targets of equity groups.

Reports produced by the Commission would also be publicly available.

***Accountability to COAG Skills Council***

**5. Establish the Commission as an independent body that supports delivery of national priorities determined by the COAG's Skills Council**

***Representative governance***

**6. Develop representative governance structures to guide the Commission's work that connect it with a broad range of stakeholders**

***Public reporting***

**7. Require the Commission to submit an annual report to the Commonwealth, state and territory parliaments**

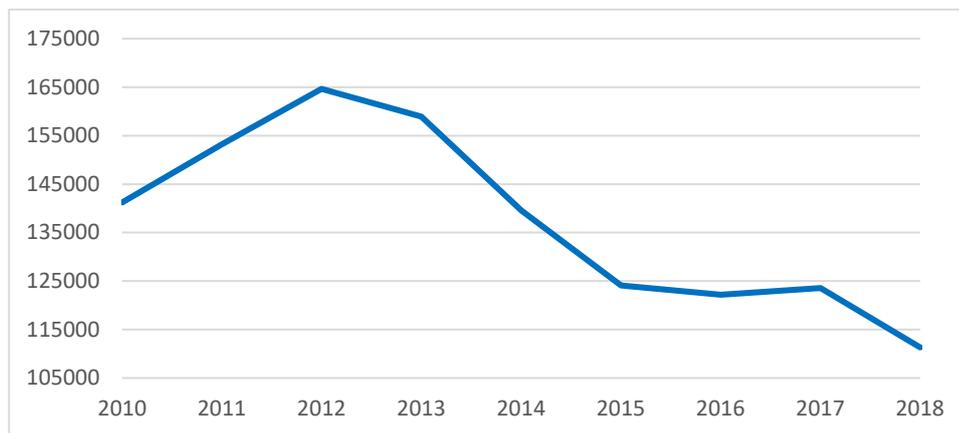
The Brotherhood stands ready to assist further with this review. For further information please contact Nicole Rees, Senior Manager Public Policy, on [nrees@bsl.org.au](mailto:nrees@bsl.org.au) or 0407-337-940.

## Appendix: Brotherhood of St Laurence National Skills Commission submission 2019

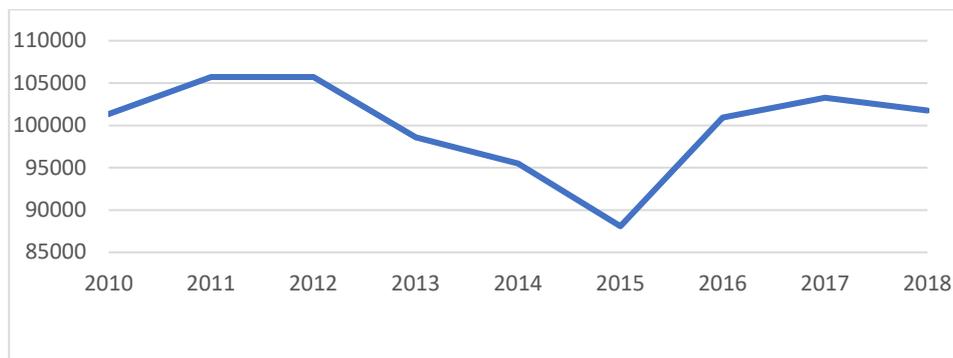
### Trends in participation in *government funded VET* of 'equity groups': 2010-2018

Note: These figures are *not* population adjusted. Australia's population grew 14.4% between 2010-2018 (from 22.03m to 25.2m).<sup>8</sup> Over the corresponding period enrolments in government funded VET fell 18.7% (from 1.6m to 1.3m).<sup>9</sup> Accordingly, the following charts significantly understate the real decline.

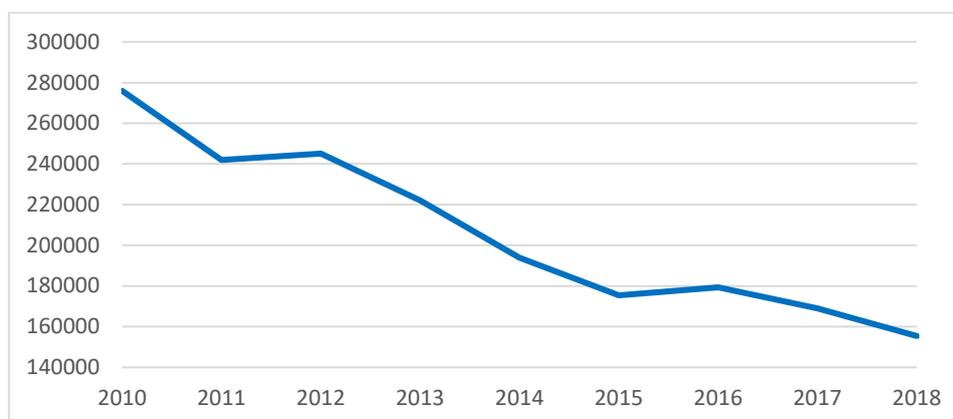
#### Young early school leavers (15-19/20-24; attainment up to year 11)



#### Indigenous



#### 'Outer regional' and 'remote'\*

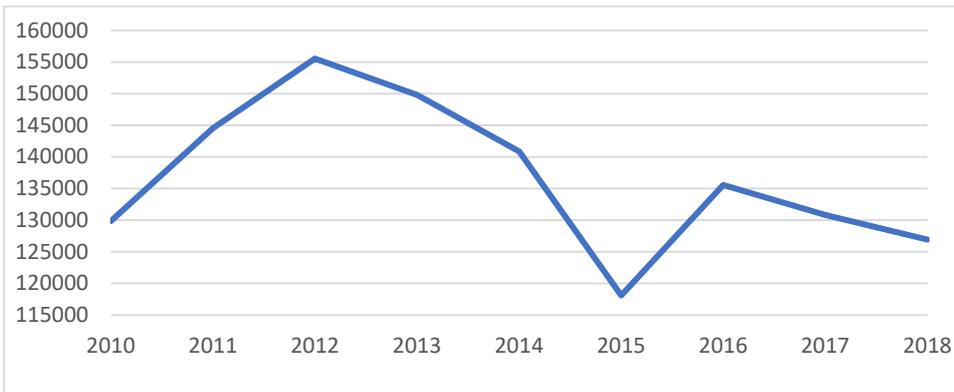


\*Derived from the VOCSTATS data using the Accessibility Remoteness Index of Australia, which calculates remoteness based on the clients' postcodes. We exclude here those in 'major cities', 'inner regional', 'very remote' areas).

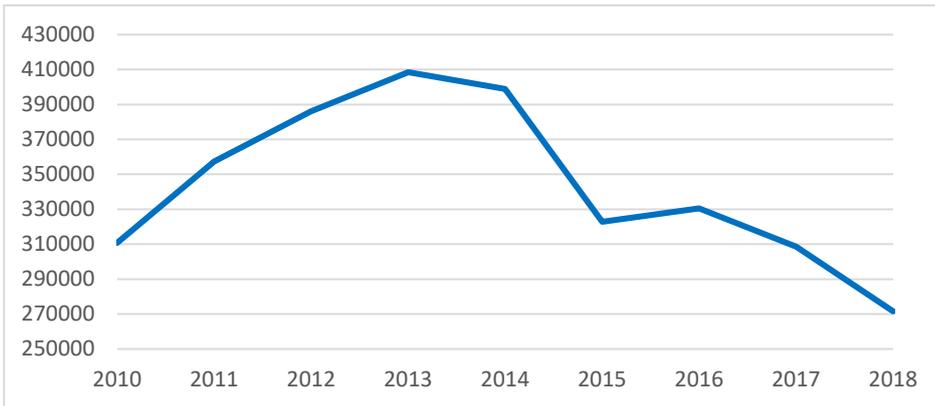
<sup>8</sup> ABS 3101.0 Australian Demographic Statistics, Dec 2010 and Dec 2018

<sup>9</sup> All VET data accessed from NCVET Vocstats, Government funded students and courses, VET Program Enrolments 2003-2018, accessed 19/11/19.

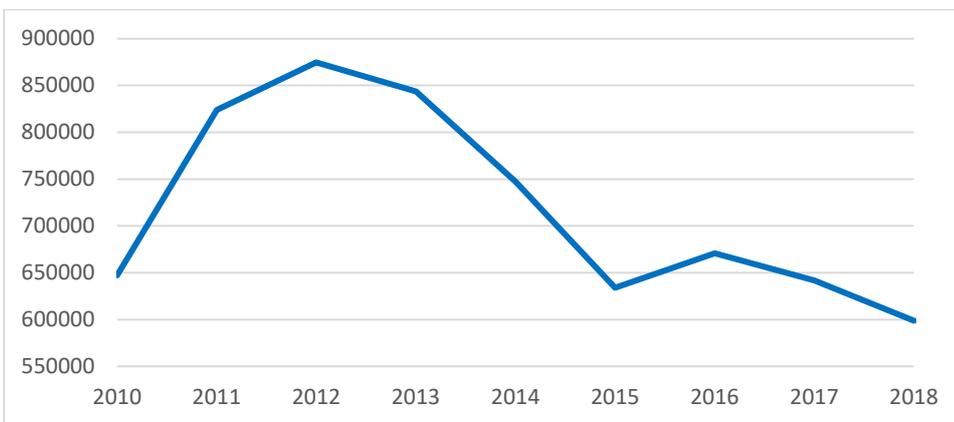
### People with Disability



### Unemployed (15-65+)



### People living in the most disadvantaged area (SEIFA Quintiles 1 and 2)



### Non English speaking background

