

# National Youth Employment Body

*Strengthening pathways to skilled entry  
level work for young people*

System design workshop discussion paper – Transversal Capabilities

April 7<sup>th</sup> 2022

We acknowledge the Wurundjeri people of the Kulin nation, the traditional owners of the land on which this document was produced. We respect and honour Aboriginal and Torres Strait Islander Elders past, present and future. We acknowledge the stories, traditions and living cultures of Aboriginal and Torres Strait Islander peoples on this land and commit to building a brighter future together.



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## The NYEB mission

***The NYEB aims to facilitate place-based collaborative efforts that enable young people to secure decent work in their communities while addressing the needs of local industry for a diverse and adaptable workforce. Additionally, through its governance structures it aims to create feedback loops with government so that local solutions can benefit from policy and program knowledge and local challenges can inform national policy.***



# Introduction

The **National Youth Employment Body (NYEB) System Design Workshops** provide a unique opportunity for stakeholders within the youth employment ecosystem of employers, industry, community, government, training and career systems to work together on a shared ambition to address youth unemployment and workforce development challenges.

Our approach to developing the workshops is grounded in BSL's '**systemic change**' model for progressing reform. The model aims to design and implement better systems over time through coordinated streams of effort.

The methodology draws on over a decade of continuous learning from BSL's practice and research efforts across a range of policy areas and continues to be refined and tested.

Our starting principle is a '**Capabilities - Advantaged Thinking**' approach to working with young people. It combines a focus on the actual and potential skills capabilities of young people with an emphasis on the necessary investment from government, community and industry/ employers to realise that potential. We aim to facilitate a **solutions and opportunities focused** conversation that looks beyond the structural barriers and limitations of the existing systems.

In the workshop we will employ BSL's distinct systemic change methodology to reach mutually beneficial and effective solutions to the employability of young people.

We look forward to hearing your insights and working together through the workshop and beyond to shape the solutions that will enable a transformational systemic solution that address the needs of both young people and employers.



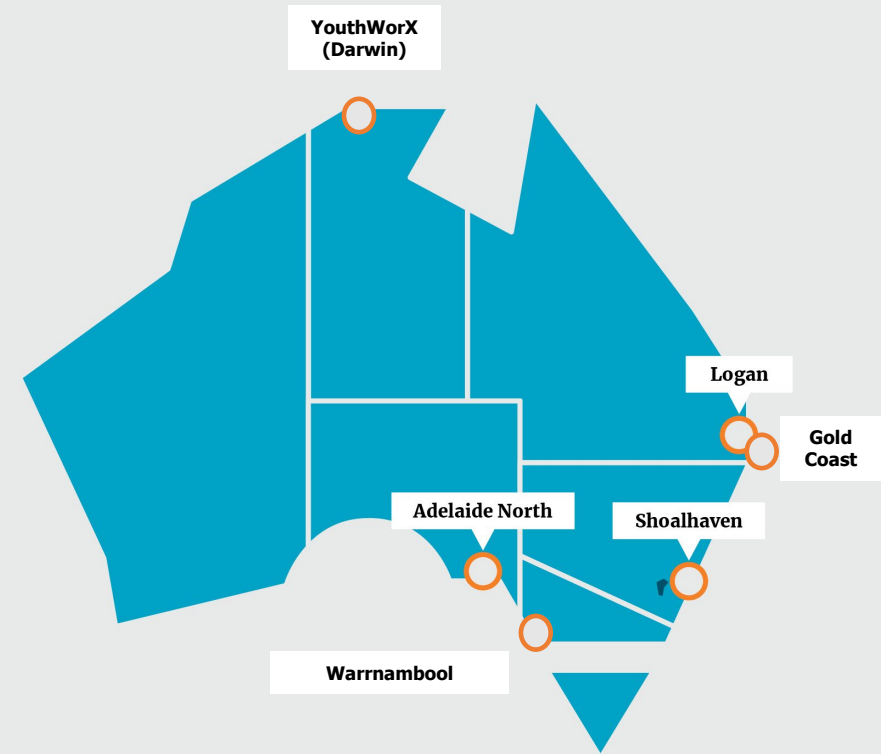
# National Youth Employment Body

The NYEB is a coalition of people and organisations invested in addressing youth unemployment through the development of local to national responses that meet the needs of young people and industry alike, and ultimately drive systems change.

The NYEB provides facilitative leadership with a coalition of people and organisations invested in driving solutions for youth employment. It advances local to national practice and policy responses that build the capabilities of young people and meet the needs of industry/employers in local communities.

## What is the ambition of the NYEB?

- Better jobs for young people
- A strengthened role for skills and training for young people beginning their working lives
- Improved social infrastructure for enabling young people to thrive
- Expanded workforce development solutions that address the needs of employers and industry



## Community Investment Committees

The NYEB has established local Community Investment Committees that mobilise key representatives from industry, VET, community, all levels of government and employment services.

Community Investment Committees develop and implement initiatives and training pathways that enable young people into meaningful work and build a skilled workforce for employers.

Community Investment Committees harness knowledge and resources; sustain and strengthen effective strategies and collaborative efforts in youth employment; and endure and adapt to new disruptions and opportunities through increased capacity to implement, monitor and advocate solutions.

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# Roadmap leading to this focus on the role of the training system in developing the employability of young people

Sept 2020 – Apr 2021

Using emerging data from programmatic innovation pilots to drive system design and reflection in real time

## Entry to Care Pilot

- The training system is not equipped to adequately address the complex and diverse barriers to training and entry level employment encountered by disadvantaged young people.
- Employment mobility and adaptability of young people is limited by the VET system's prevailing qualifications regime and narrow focus on development of technical competence

Aug & Sept 2021

Drawing on diverse expertise and evidence to shape a shared understanding of the problems of misalignment between supply and demand, and to identify possible solutions

## System Design Workshops

- Three system design workshops, focused on identifying key mechanisms to achieve sustainable career entry and mobility of young people into agriculture & horticulture, transport & logistics, and care sectors.
- Workshops bookended by over 130 consultations with key stakeholders across industry, education, government and youth services, to identify the core structural barriers to effective entry level training for young people and opportunities for transformative change.

Oct 2021 – April 2022

Identifying the conditions that hold the problem of a lack of employability of young people in place

## Thought Leadership Work

- Deep and intentional analysis of academic and grey literature that evidences new forms of employment-based training and emerging international policy reforms that are improving how training systems enable employability of young people.
- Analysis of historical trajectory of Australian policy reform that has contributed to contemporary systemic inefficiencies.
- Identification of international approaches that offer adaptation opportunities.

Jan 2022 – April 2022

Drawing on diverse expertise and evidence to shape a shared understanding of the problems of misalignment between supply and demand, and to identify possible solutions

## Transversal Capabilities Consultations

- 30 one-on-one consultations with stakeholders, including government, TAFEs and RTOs, youth services and academics to understand the structural barriers undermining the employability of young people.
- Shape problem framing, policy levers, and scope of workshop discussion.

## Systemic change ambition

- Enabling the conditions for young people to pursue and sustain meaningful careers they value
- Renewed social partnerships between youth employment stakeholders working on the principles of co-design and co-delivery
- Redistribution of power to stakeholders working in place to drive and sustain change in communities

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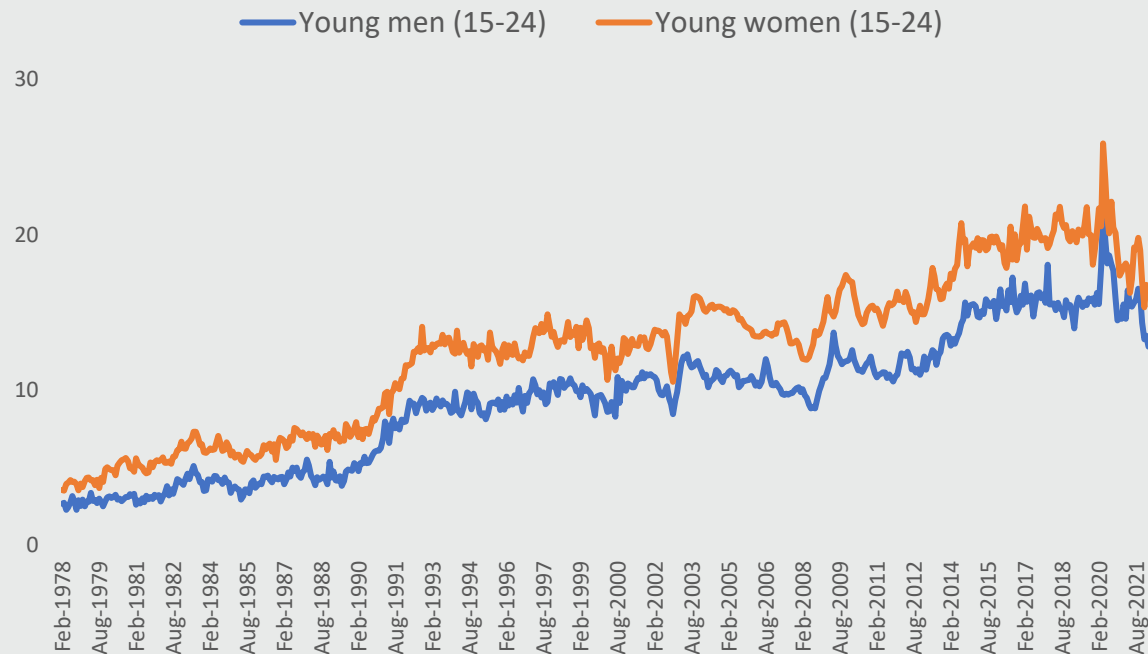
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## WHY A FOCUS ON YOUNG PEOPLE

**Young people, particularly those from disadvantaged backgrounds, have been impacted the most by the economic shock of COVID-19. Meanwhile, as the unemployment rate stabilises, employers are facing severe skill shortages.**

Underemployment rate, 15–24 year olds, by gender, 1978–2021

Source: ABS Labour market delivery, February 2022



**A stabilising unemployment rate is hiding a long-term increase in underemployment, underutilisation and insecure work for young people.**

**A consistent and long-term decline in both occupational mobility and domestic migration between states in Australia means that 'skills shortage is the new normal'.**

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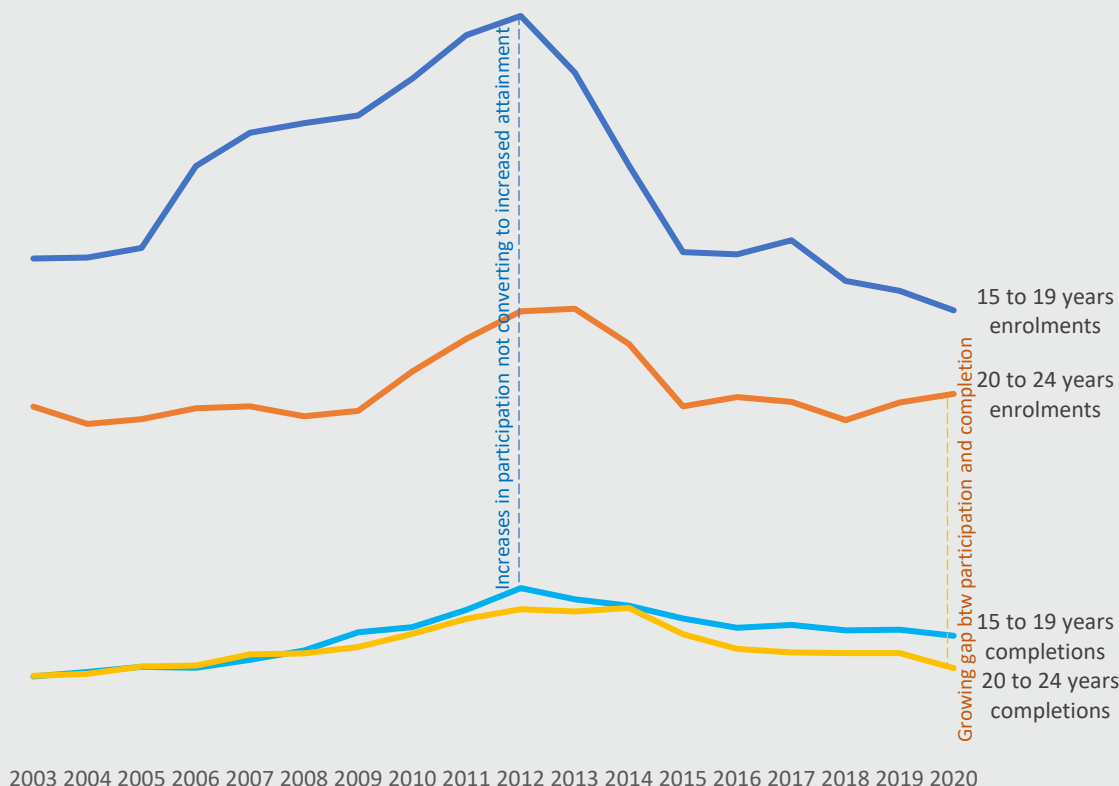


## WHY A FOCUS ON THE ROLE OF SKILLS AND TRAINING FOR YOUNG PEOPLE

# Strengthening the role of skills and training is key to building career entry and mobility of young people while also addressing workforce issues

VET Program enrolments and completions, 15–24 year olds, 2003–2020

Source: NCVET Vocstats, Government funding courses.



### Strengthening the role of skills and training is urgent

The economic disruption of the COVID-19 pandemic has amplified several long-term trends shaping the way young people move through education and work. These long-term trends include:

- **The changing world of work:** Global transformations in the nature of work require skills and training systems that enable young people to build the foundational capabilities needed to be mobile and to adapt to new contexts and expectations throughout their careers.
- **Shifting pathways to work:** Disruptions to historical processes for how young people gain entry to occupational and professional careers requires a collective redesigning of the fit-for-purpose system needed for the Fourth Industrial Revolution.
- **Misalignment between supply and demand:** Rates of young people training in the economy's highest growth sectors, such as aged and disability care, transport and logistics, education, and agriculture, remain low and in many cases are declining.
- **Stagnated career mobility and wage growth:** A generation of young people in the decade post-GFC have been pushed off a broken career ladder that has seen increased investment in education and training fail to support labour market security and mobility, and real wage growth among young people has flatlined.

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## WHY A FOCUS ON EMPLOYABILITY AND TRANSFERABLE SKILLS

# Without the 'glue' of transferable skills, vocational training is not enabling access to secure work for young people or building the skilled workforce needed by employers

### Lessons from system design workshops in 2021

Strengthening the systemic approach to employability and transferable skills was identified as an urgent challenge at three system design workshops convened in August-September 2021 with training, employers, community and government stakeholders from the transport & logistics, agriculture and care sectors.

*"[We need to be] driven by an understanding of the elements that make success for a young persons entry into meaningful work and how do we bring those success factors together in a more systematic approach that it will be there for all young people"*

*"We need to provide these young people with training and career options that they may not have had access to at school or if they left school early"*

### Globally, the way employers and policymakers frame and describe skills for work is changing

The [CEDEFOP](#) (Europe) definition of employability is a 'combination of factors (such as job-specific skills, soft skills) which enable individuals to progress towards or enter into employment, stay in employment and progress during their careers'.

A lack of consensus on what they are and how they work is reinforcing a lack of accountability for their development amongst young people. There is no consensus on what these skills are or who is responsible for teaching these skills (OECD, 2011, 2021).

'Transversal' skills are not inherently 'transversal' as they need to be applied to their specific context as without it, they are meaningless (Buchanan et al., 2018; Townsend & Waterhouse, 2008; Wheelahan et al., 2015).

### A focus on technical competence alone is not producing sustainable job outcomes for young people or labour supply that meets industry needs

NCVER data on completion of and outcomes from training provides a clear illustration of declining returns on investment and the need for a focus on the role of employability and transferable skills in converting training into a job outcome.

56.1% of those who commenced EBT in 2016 completed their course. Of those who completed EBT in 2020, only 35.1% were women.

45.2% of those who commenced a Certificate III in 2016 completed their course, while 48.4% of those who commenced a Certificate IV in 2016 completed their course.

Those who completed their course received an average of 27% higher wages on post-course employment than those who did not complete.

43.1% of those who completed their course found employment in the same industry.

12.3% of those who completed their course did not find employment. For those who didn't complete, 26.2% did not find employment.

34.8% of those 20-24 years who completed their qualification were employed in same occupation as their training course.

46.6% of those 20-24 years who were not employed before training were employed after training.

Source: NCVER VET Qualification Completion Rates, 2021



## CONDITIONS HOLDING THE PROBLEMS IN PLACE

# You told us that problems exist at various levels of the training system that reinforce a lack of meaningful opportunities for the development of employability among young people

	<i>What we heard from you</i>	<i>The key structural problems</i>	<i>What you have said</i>
<b>Weak system mechanisms for consistently enabling young people to develop employability skills</b>	<b>Mismatch between expectations</b> of employers and young people presenting in entry level roles.	No clear industry definition, nor RTO articulation of what 'transferable skills' look like in practice. Focus on competency based training doesn't allow for development or assessment of transferable and technical skills.	<i>"The training system is built on technical competencies standards, and when one meets these standards it is assumed that employability skills come them."</i>
	Employers, particularly those within SMEs, possess <b>varying levels of resources, capabilities and processes</b> to support work placements to connect skills training to the world of work.	Training for disadvantaged young people is isolated from real work opportunities.	<i>"Much skills development comes through experience in the workplace, and employers are not as focused on qualifications anymore."</i>
<b>Funding regimes and outcome measures prioritise a focus on narrow technical competence over a breadth of capabilities required for employability</b>	Emphasis on enrolments and completion rates as sole <b>measures of success</b> devalue development of transferable skills, and discourage RTOs from taking on disadvantaged cohorts.	Metrics of success which devalue the role of VET and reward volume of student progression.	<i>"Measurements drive behaviour."</i>  <i>"If you fix the measurement bit you are set."</i>
	<b>Funding models for VET</b> impact standard and depth of course delivery, and the extent of stakeholder engagement.	Funding models that are not reflective of the resource intensive work required for enabling employability of young people restrict the capacity of RTOs to deliver holistic skills training.	<i>"There are [units and courses] that are funded very competitively, and we will push them because of the pricing model even though we know it is not directly relevant to their needs."</i>
<b>Inconsistent teacher skills and high regulatory workloads are constraining teacher capability for developing employability</b>	<b>Current training of VET trainers and teachers</b> does not equip them with the pedagogical tools to enable young people, particularly those with high needs, to develop transversal capability alongside the teaching of technical skills.	Teacher training does not explicitly develop tools for the teaching of transversal capability.	<i>"You need an environment which enables the development of this readiness. This can only happen in an educational environment where teachers are skilled, but also understand how to approach individualised learning."</i>
	<b>Workloads and administrative burden</b> reduce the capacity of teachers to take a learner-centred approach.	Structures and funding which result in dual administrative and teaching load placed on teaching staff.	<i>"Teachers are overburdened with compliance. To ask them to add more to their load will need a transaction."</i>
<b>A siloing of stakeholders needed to enable the development of employability through VET</b>	<b>Inconsistent partnerships between providers and employers/industry</b> , stemming from an increasing siloing of stakeholders, leads to TAFE and other providers taking on the responsibility for development of transversal capability without consistent input from industry and employers in building the skills profiles needed for their workforces.	Key stakeholders, including industry, employers, and youth services, remain separated from development of transferable skills.	<i>"What is needed an integrated strategy. Sometimes it is not about more money, it is about bringing organisations and stakeholders together in a more integrated manner."</i>

## CONDITIONS HOLDING THE PROBLEMS IN PLACE

The number one systemic challenge you identified was a lack of shared understanding of **what employability means** and **what the role of vocational training is** in developing skills for employability

This is a problem for **young people**, who remain precarious in their search for secure entry level work, for **employers** facing intensifying skill shortages, and **governments** investing more money in training mechanisms with declining return

**You emphasised how a lack of consensus was creating confusion for those designing and delivering programs and a lack of accountability**

- There is currently no consensus as to what these skills are and what the term employability refers to in practice.
- These skills cannot be taught but are instead learnt through life experiences and exposure to these skills, meaning they cannot just be developed or taught through competency-based VET programs alone.
- The term 'employability' assumes a young person has the capital and contextual understanding of the world of work to navigate entry into the labour market without support.
- The development of general employability and industry-specific transferable skills requires learning done in connection to the world of work and other systems that support the development of these skills.

**There is a lack of clarity at the policy and system level**

- The 'Employability' and 'core skills' lists from the Australian National Skills Commission and JobJumpStart reflect the lack of consensus as to what skills are core to accessing and sustaining work.

JobJumpStart	National Skills Commission
Good communication	Oral communication
Teamwork	Teamwork
Motivation and initiative	Initiative and innovation
Following instructions	Problem solving
Leadership	Planning and organising
Reliability/ dependability	Learning
Patience	Reading
Adaptability	Writing
Emotional control	Numeracy
Resilience	Digital literacy

**Several attempts at listing core skills have failed to solve the problem**

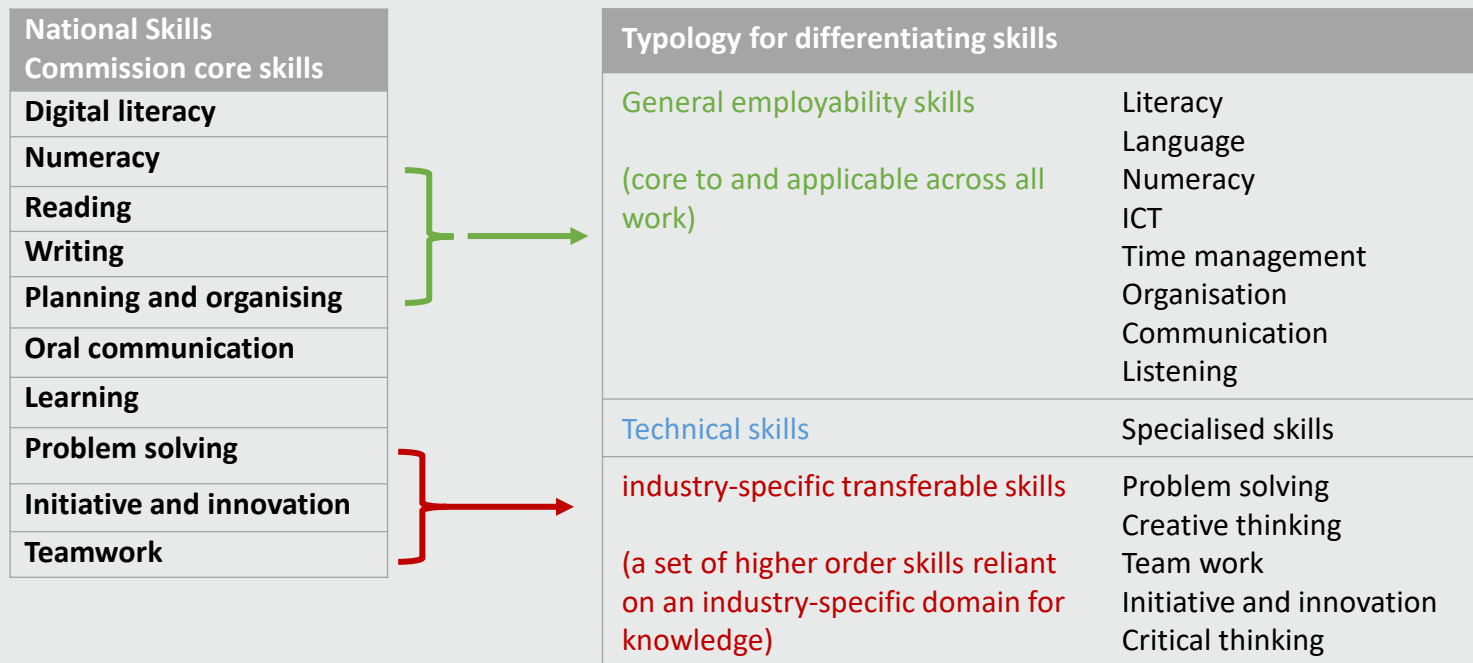
- These lists are supposed to indicate the skills a young person needs to gain employment, but they are too generic and abstracted from the world of work.
- The inclusion of numeracy, reading, writing and digital literacy reinforces assumptions that young people exit school with the skills needed to engage in further training and entry level work.
- The current policy and systemic discourse does not address debate around who is responsible for teaching these skills, is it up to the education system, employers or the individual.
- There is a lack of recognition of the role capital plays in the development of these skills.

## A NEW WAY OF THINKING ABOUT EMPLOYABILITY

# Framing employability as transversal capability is a way of cutting through the confusion of what skills matter

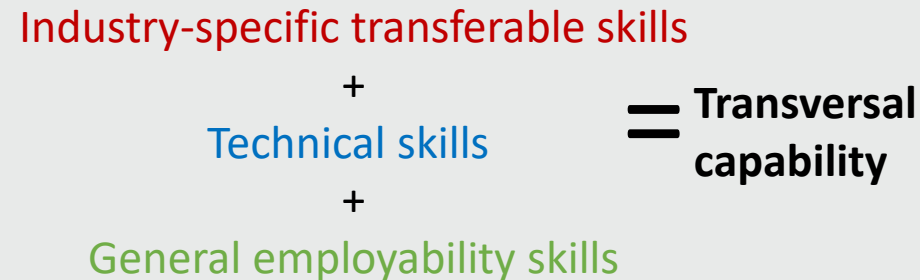
Existing lists assume these skills are all equally important and similarly developed.

We argue that a) all are important to enabling employability and b) differentiating by type of skill is useful for informing intentional and purposeful development opportunities.



Employability is not a one-dimensional set of skills but rather the result of interconnected development of the three core skill types needed for work. Increasing the employability of young people through the training system is necessary not only for the young people themselves but also key to addressing the severe skill shortages facing Australian employers.

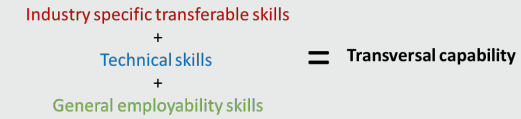
It is through locally designed and collaboratively delivered fit for purpose programs that young people can develop these three skills types together that are needed for transversal capability.



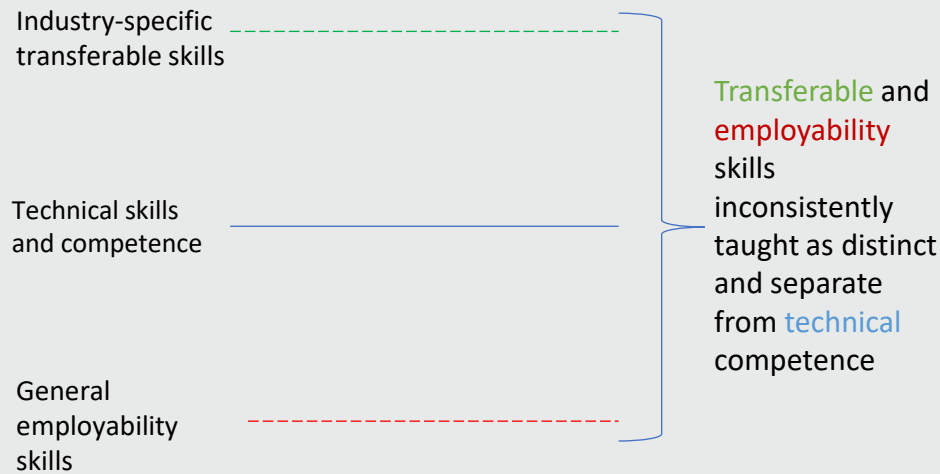
Capital underpins the conversion of these skills into a transversal capability

# A NEW WAY OF THINKING ABOUT EMPLOYABILITY

**You told us: Inconsistent teacher capability, a lack of sustainable funding targeted to employability development for young people and a misalignment between curriculum and employer expectations are sustaining the siloing of the three skill types needed for employability**



**The current VET system is not enabling all young people to **concurrently develop** these diverse skills needed for labour market security and career mobility**



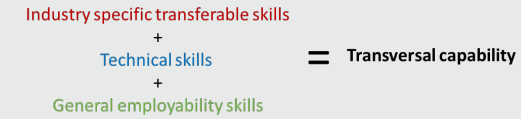
*“You need an environment which enables the development of this readiness. This can only happen in an education environment where the teachers are skilled, but also understand how to approach individualized learning.”*

*“There are [units and courses] that are funded very competitively, and we will push them because of the pricing model even though we know it is not directly relevant to their needs.”*

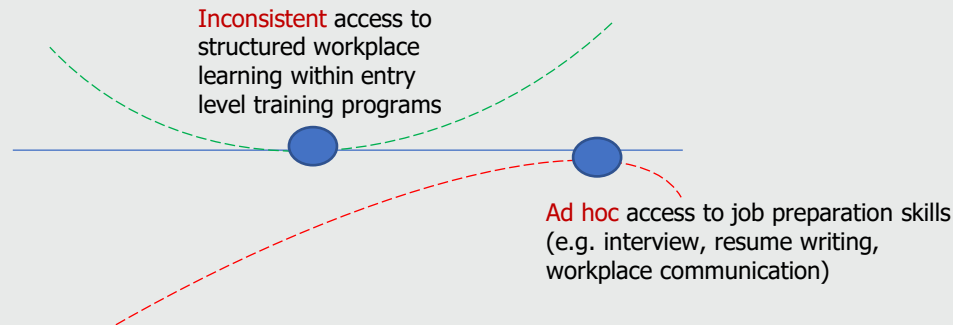
Limited account for or responsiveness to diverse forms of capital young people do and do not have upon entry to the training system

## A NEW WAY OF THINKING ABOUT EMPLOYABILITY

**You told us: Localised examples of programmatic innovation exist but these do not convert to wholesale change for four reasons: inconsistent approaches to workplace exposure, varying levels of readiness for employers to support entry level learners and workers, and a lack of systemic measures for employability are sustaining inequitable access to training that enables the development of transversal capability**



**Programmatic innovation within some providers is not being sustained and enabled at scale, meaning **inconsistent and inequitable experiences** for young people across the training system**



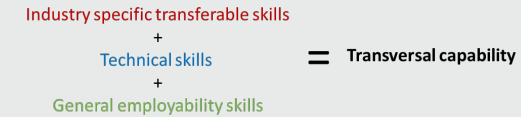
Ad hoc exposure to workplaces, industry inductions and mentoring opportunities can address social, cultural and network capital gaps, through inconsistently and not for all young people

*“Much skills development comes through experience in the workplace, and employers are not as focused on qualifications anymore.”*

*“Measurements drive behaviour.”*

## A NEW WAY OF THINKING ABOUT EMPLOYABILITY

# Transversal capability requires young people to be enabled to concurrently develop **technical**, **general employability** and **industry-specific transferable skills**



**For young people to develop the breadth of complementary technical, general employability and industry-specific transferable skills need to be secure and mobile in their careers, transformation of the training system is needed**

Intentional development of transversal capability underpinned by fit for purpose training models that enable the concurrent development of general employability, technical and industry-specific transferable skills.



Intentional concurrent development of general employability and industry-specific transferable skills alongside technical skills has potential to respond to diverse levels of existing capital to build social, network and cultural capital that supports conversion of training to a job outcome.

*“What is needed is an integrated strategy. Sometimes it is not about more money, it is about bringing organisations and stakeholders together in a more integrated manner.”*

*“You have to build the ‘soft’ into the technical. We didn't hold a session on communication, we built communication into the skill development.”*

# Consultation participants

In preparation for these workshops we have consulted with a wide range of stakeholders to understand the impact of key structural barriers in their work to enabling entry level work and their views on potential programmatic and policy solutions.

BSL would like to extend their thanks to all the individuals and organisations who have generously provided contributions and time to undertake pre-workshop consultations which have been invaluable in the development of the System Design workshops and our ongoing work in youth employment including:

- Keiko Yasakawa, UTS
- Andrew Williamson, Holmesglen
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- Mick Absalom, SWTAFE
- Darryn Snell, RMIT
- Peta Savage, Department of Innovation and Skills South Australia
- Robert Pethridge, TAFE Queensland
- Melinda Toze, Department of Employment, Small Business and Training Queensland



# WORKSHOP OVERVIEW

**Goal:** to build on this new conception of employability to design a shared ambition for how the VET system supports young people to attain meaningful and sustained employment.

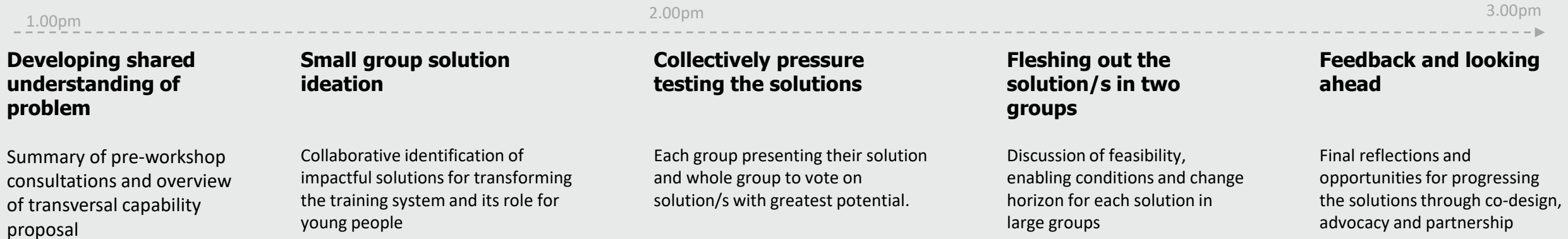
**Intended outcome:** to produce tangible, systemic change ideas that can contribute toward making this ambition a reality.

**Solutions-focused:** The focus of the workshop is on solutions. While we acknowledge the need to understand and discuss problems, we want to use this time with you to think about what could be, and how we can get there, rather than why things are not working or will not work.

## Questions we will be addressing:

- What would it take to transform the training system to one that enables all young people to develop transversal capability?
- What is one transformational change you would make to re-design the system to one that enables all young people to develop transversal capability?
- Which system levels need to be addressed to achieve this transformative change? What is the time horizon for this change? What opportunities or levers can help achieve it?

## SCHEDULE



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