Submission to the Expert Review of Australia's Vocational Education and Training System

ReadyTech
Ready for the Future of Work

JobReady.

What is working well in the VET sector?

We need a well-functioning, well-funded, respected, and modern VET system that is equipped to work with and alongside higher education to provide the skills individuals need to navigate and succeed in the future of work. At the moment:

1. **VET plays an important role in our education mix.** We believe VET continues to fulfil a fundamental role in our education mix. VET allows individuals to follow their unique interests and move towards achieving their potential in areas that may not be accessible through higher education providers. On a national level, it acts as a critical channel for providing the skills needed by business in niche industry areas, ensuring we remain current and competitive in developing markets like our neighbours in Asia and that our economy has the elasticity to respond to change.

2. **VET provides a practical path alongside higher education.** VET continues to provide practical, technical education and training that gears students for work in niche industry areas. With the closer involvement and participation of industry, including the provision of practical student workplace activities as part of the qualifications on offer, students who follow a VET pathway gain a practical grounding that helps them gain employment.

3. **VET benefits from private sector participation.** A thriving community of competing private VET providers is a positive thing for both the quality of content and training offered by the market as a whole and the outcomes achieved by students. A recent survey conducted by ReadyTech, the Voice of VET RTO Industry Australia 2018 Report [www.voiceofvet.com.au], found that 62% of the 444 CEOs, directors and senior managers surveyed were focused on the growth and expansion of their business and the service they provide students. This energy and commitment from entrepreneurial private RTOs is something that will benefit students in a time where innovation and speed in new content delivery will be more important in ensuring Australia is preparing our economy for the the skills needs of the future.

What are the key challenges in the VET sector?

1. **The Australian Qualifications Framework (AQF).** While we acknowledge the role the AQF plays, we believe it has become more of a hindrance to the effective functioning of a responsive VET system. Australia faces an age of massive change in the skills needs of its employers, its employees and its jobseekers. In this new era, both industry and individuals are demanding the need to accumulate a specific set of updated skills quickly, to execute their responsibilities and improve in their roles. Unfortunately, the AQF is ill-suited to the pace of today's environment, and can be considered relatively slow and unresponsive. The process by which courses are developed and reviewed does not encourage the innovation and speed-to-market required to keep pace with the future of work.

2. **Compliance.** ReadyTech believes compliance is critical to the integrity and success of the VET sector. However, we believe the balance may have shifted to a point where compliance is impacting the ability of VET to innovate, adapt, expand and provide a better service to its end customers – students. In ReadyTech's recent Voice of VET RTO Industry Australia 2018 Report, 36% of senior executives surveyed identified compliance as their biggest administrative or business challenge in the next 12 months, indicating a disproportionate focus on paperwork, rather than performance.

3. **Funding.** A healthy and effective VET sector is not possible without adequate levels of funding. Should funding levels be reduced, this will likely compound the sector's existing challenge with reputation. The fact that funding is primarily allocated for full qualifications is part of the challenge that stands in the way of innovation and a VET system redesigned for the future of work. Although most people are looking for skill sets, the funding open to them through VET is based on full qualifications. Progression-based funding models, likewise, can promote bad habits, because they reward providers for progressing students, rather than ensuring students have the skills they need for success in work.

4. **Teaching.** Ensuring the quality of teaching remains high is also a challenge. Teachers and trainers have either not been in the field long enough or have been too long divorced from the world of practical experience. They often lack the time and resources to keep their skills current. Factoring in time for currency and research is critical.

What changes would you make to the VET sector?

1 **Technology.** Prescriptive analytics can ensure students are investing in the right course, leading to improved completion rates & student satisfaction. The Voice of VET Report found that online training is offered by less than 50% of providers - out of step with student expectations, according to a survey of 'study interested' workers. A mixed/online delivery model allows providers to scale their offering to meet the demand of students.

2. **Involvement of Industry.** The sector needs to focus on the development of skill sets that are better aligned to the needs of industry. The government should promote more involvement from industry, whether it is through informing a new skills-aligned funding model, or the agile maintenance of a skills register that helps guide and focus VET on evolving needs. Tightening industry alliance will ensure industry itself does not choose to bypass VET by creating their own internal channels for workforce development.

3. **Innovation.** The existing AQF is no longer fit for the pace of change. A model that encourages innovation & experimentation will ensure providers can adapt. This could be achieved with a more agile & adaptive funding model e.g. why not incentivise the creation of new and relevant content, giving progressive providers a chance to take on the risk of innovation and have them pitch for funding? A skills panel with a current & practical understanding of the trends shaping the future of work could be appointed to assess the quality and relevance of content & award funding accordingly.

4. **Funding.** Resources should also be considered for activities other than teaching that have been shown to enhance student outcomes, including mentoring and coaching. The expansion of a delegated authority model that allows trusted, quality providers to self-accredit new content would also help to create content faster, while encouraging providers to achieve delegated authority.

5. **Language.** A new framework would need to incorporate a change in language to describe student achievement. There is a case to remove Certificate-level qualifications below Diploma as these are no longer viewed with prestige.

6. **Student experience.** A measurement of student experience should form a part of the framework by which providers are assessed and rewarded. Rather than a focus on student progression, qualitative feedback could ensure that the sector continues to evolve in line with the expectations of its customers and remains competitive.

7.   **Private sector providers.** Entrepreneurial private providers are well placed to address the skills needs of industry & students in line with the pace of change expected in the future of work. As more individuals seek to add new skills, the market needs to be in a position to service that effectively.

How can VET help Australians prepare for the future workforce (as industry requirements and job patterns change)?

The future of work will be different from what we've known in the past, or even what we know in the present. Rather than the traditional three-stage 'education', 'career' and 'retirement' life path that has became the norm, the future will likely involve a more multi-stage journey marked by a variety of careers, breaks and transitions. In the volatile, uncertain, complex and ambiguous world facing both the private and public sectors, the ability for our workforce to shift employers, move into different roles or change careers while upskilling or reskilling will become essential to our success.

ReadyTech believes that VET has an irreplaceable role in ensuring our future workforce is nimble enough to face up to these demands, in tandem with a world class higher education system. VET providers are in a perfect position to fulfil the need for shorter and more practical skills-based micro-credentials that will allow workers to add to or change their skill sets over time, in line with a lifelong learning mindset. With close alignment to industry and armed with job-specific skills (something that students are demanding from their education providers, more than formal qualifications, according to Deloitte) the VET industry will be able to integrate holistically into the lives of students and act as a true partner in their career development and success.

A lifetime of education and training

The way to think of VET's potential as we move towards the future of work is as a lifetime of practical, industry-led knowledge and training from a trusted source, which could be:

Non-linear: A current and evolving library of training courses and skills would meet a person's changing education and skills needs as they develop and transition, with no 'end point' in mind.

Bite-sized: Courses would be delivered both online and in-person in shorter, more intensive formats on demand to ensure people could create space for ongoing learning within busy working lives.

Engaging: VET would need to be high quality, useful and engaging to ensure students not only gain outcomes from ongoing training, but maintain the interest in continually reinvesting in their future.

Unboxed: Learners could follow unlikely connections, allowing things like leadership skills to sit alongside a qualification in hairdressing, or add digital marketing to their mortgage-broking skills.

Everywhere: Courses could be delivered to a mobile base of modern workers, who would be able to access the learning and expertise they require from anywhere, at any time and from any device.

Vocational education and training is a crucial plank in Australia's education mix, and should be supported to provide the education and training that our higher education sector may be ill-equipped or unwilling to provide. ReadyTech would argue the future of work is no future at all without a strong and agile VET sector to keep us in tune with the needs of industry.