

Hello,

Apologies for the late submission, I received notification of the existence of the Productivity Commission Green Paper at the end of last week.

I have provided two components to my submission. The first section is related to the Vocational Education and Training section because that is area of primary expertise and the second section is observational based on my experiences working with community sustainability initiatives for over 25 years.

Kind regards

Vocational Education and Training

The Productivity Commission Green Paper: Continuing the productivity conversation, identifies that key levers controlled by the NSW Government in relation to Vocational Education and Training (VET) include:

- **VET delivery**, including VET in schools and operation of TAFE NSW, the state's largest VET provider
- **defining career pathways** through the VET system (for instance, Vocational Training Orders for apprenticeships and traineeships) and influencing the flexibility of training delivery
- **targeting funding** such as course subsidies to meet local economic priorities.

These points are accurate, yet prior to commenting directly on the recommendations suggested in the green paper I will address a wider range of matters evident within each of these key levers, because what was picked up in the productivity commission green paper was under informed or purposefully narrow and focused and therefore has not truly accounted for the wider influence and changes that can be achieved through leverage within each of these dot points.

- VET delivery identifies two aspects of immediate influence via the state government
 - VET in schools
 - TAFE NSW
- Defining career pathways through the VET system also identifies two aspects
 - Vocational Training Orders for apprenticeships and traineeships
 - Influencing the flexibility of training delivery
- Targeting funding is difficult but two points have been listed
 - Course subsidies
 - Local economic priorities

VET in Schools

- NSW is only one of two state or territory jurisdictions that place further limitations on unit of competency selection within a qualification beyond what is already specified within the packaging rules for that qualification.

- Advantages
 - i. The VET in Schools model is often attacked by industry as not having appropriate outcomes and by clearly defining all units of competency it is easier to ensure that teachers providing VET in Schools have an opportunity to demonstrate that they have relevant skills and knowledge so that they may deliver appropriate content.
 - ii. It enables defined pathways that support easier progression from Certificate II to Certificate III qualifications as the student progresses within the VET in Schools model which is both simpler for the school and the student.
 - iii. ATAR pathways can be defined more readily based on known electives.
- Disadvantages
 - i. A greater limitation on units of competency beyond what already exists within the packaging rules for the qualification does not enable students to select electives that are relevant to themselves or a workplace that they have the opportunity to be employed at, either post school or while completing their secondary education.
 - ii. Students completing qualifications externally that utilise electives aligned to that particular learning journey are not able to have their qualification recognised in the same manner as their peers who have completed the same qualification but with different electives.
- When delivery is not within a school, there is a focus and strong encouragement to use TAFE NSW in preference to other RTOs.
 - Advantages
 - i. It develops a student connection and strengthens TAFE NSW
 - ii. Students are coming from different schools but this creates a sufficient number of students to ensure viability of some courses and there is a consistent alignment with the starting level of education.
 - iii. TAFE NSW typically has the facilities and capacity to accommodate these classes.
 - Disadvantages
 - i. Limiting for students who may otherwise be able to partake in opportunities to gain qualifications that are relevant to them via RTOs that are not within the school or TAFE NSW.
 - ii. Some industries are better served by other RTOs.
 - iii. While TAFE NSW aims for increased flexibility, other RTOs will most often provide greater flexibility and be able to work with school, student and any employer limitations.
- VET in Schools is influenced by factors beyond the delivery of VET in Schools.
 - Advantages
 - i. Provides greater options and flexibility for students
 - ii. Offerings can be adjusted to suit local needs
 - Disadvantages
 - i. In regional areas the perceived value and attitudes towards VET in Schools is different to the large centres of Greater Sydney, Newcastle and Wollongong

- ii. Matters impacting secondary education as identified elsewhere in this Productivity Commission Green Paper are intensified when VET in Schools is also considered as one of the components.

TAFE NSW

- TAFE NSW is the state's largest VET provider
 - Advantages
 - i. TAFE NSW comes under the immediate influence and direction of the state government
 - ii. Medium and long term government initiatives that may be beneficial to a range of government initiatives can be implemented within a context outside of or develops influence and change within market forces.
 - Disadvantages
 - i. As of 20 September 2020 there are 2,995 RTOs listed as offering training and, or assessment in NSW and only one of these is TAFE NSW.
 - ii. Due to the combined factors of size and nature of being a government entity, TAFE NSW lacks the flexibility of other RTOs.

Vocational Training Orders

- A VTO is the legal instrument that establishes apprenticeships and traineeships in New South Wales. The VTO specifies the qualification, length of apprenticeship or traineeship and probationary period.
 - Advantages
 - i. Consistency and a level of reassurance and guarantee for both the employer and employee
 - Disadvantages
 - i. Linked to education and industrial standards and therefore changes are more complex to achieve

Influencing the flexibility of training delivery

- NSW operates within the Australian Qualifications Framework (AQF) and uses nationally agreed standards as they relate to VET qualifications.
 - Advantages
 - i. National consistency helps students, employers and RTOs with defined standards that are relevant around the country.
 - ii. The AQF enables discrete components such as units of competency to be used individually or grouped together to meet a need.
 - Disadvantages
 - i. Governments typically fund full qualifications and skill sets that have been identified within a training package, individual or clustered units of competency that meet a workplace need are typically not funded.
 - ii. Industry regularly engages in non-formal learning to meet an identified need that could be aligned to or met by one or more units of competency.
 - iii. RTOs including TAFE NSW often determine the electives that they will offer from a qualification to minimise the cost of delivering the qualification.

While other electives are possible the student is often unaware of this and some employers would prefer alternate electives but this is only done by RTOs where good industry partnerships exist, ensuring student electives are aligned to industry needs.

- iv. Students are often unaware of what is available in the form of either full or partial qualifications and they are guided by the relevant training providers, their employers and what the government has agreed to provide a level of funding for.

Targeting funding

- Course subsidies
 - Advantages
 - i. As demonstrated through Smart and Skilled funding, identified skills needs can be targeted by focusing on the qualifications developed by and utilised by industries that have identified skills shortages.
 - Disadvantages
 - i. Funding that is based entirely on recognised training package products such as qualifications and skill sets, this does not enable funding that is aimed at the individual or clustered units of competency (micro credentials) that have been identified as useful for an industry, employer or student.
- Local economic priorities
 - Advantages
 - i. Meeting local needs is required at different times for different reasons and needs to exist alongside and separate from national and state based funding.
 - Disadvantages
 - i. People who have taken advantage of local funding initiatives may take their qualifications and part qualifications and move away from the region.

Draft recommendation 3.1

By the 2020-21 Budget, develop a medium-term 'earn or learn' skills strategy that guides and supports skills transitions for workers displaced by COVID-19.

- While it is understood that an 'earn or learn' skills strategy is for workers displaced by COVID-19, 'earn or learn' implies that if individuals are earning an income they will not be eligible for learning subsidies. While I am sure that this is not the intent, particularly as we understand that there will be many people underemployed or who have taken employment in roles that are not ideally suited to them that this will be managed to enable people to earn and learn, not an either or situation of earn or learn.

Draft recommendation 3.2

- Introduce two new and more flexible pathways to trades qualifications: one for HSC-holders (two years or less) and one for mature-aged workers (18 months or less).

- A pathway to trades for HSC holders of two years or less would be beneficial however I can foresee a range of questions from industry that seek clarification around required subjects of study that have relevance to the trade.
- A pathway to trades for mature age workers of 18 months or less has some observable logic however my experience working with young (16-21 year old) and mature age (25+ year old) students completing certificate III qualifications demonstrate that some mature age students making changes are entering the qualification with skill and knowledge levels that are similar to the young students whereas other mature age students have gained a range of skills and knowledge that are applicable to the new pathway that they have chosen to shift towards. From this experience I would suggest that the proposed pathway of two years or less would be applicable for both HSC holders and mature-aged workers with the proviso that mature-aged workers should have their experience recognised and if applicable this would reduce the timeframe to completion.
- Incentivise registered training organisations to develop more flexible modes of course delivery, including after-hours learning and short intensive periods of full-time study.
 - Does this need to be incentivised? To have the work, income and to fulfil the needs of students within a timeframe that is appropriate and economically viable RTOs have been doing this in diverse ways for over 25 years.
- Establish a Training and Skills Recognition Centre to implement the new training pathways, starting in the construction sector.
 - This recommendation connects with the prior recommendation about the proposed pathway of two years or less to achieve a trade qualification would be applicable for both HSC holders and mature-aged workers with the proviso that mature-aged workers should have their experience recognised.
 - There has been an acknowledged reduction of recognition pathways within the VET sector. There are a number of factors that impact on this and one of those factors is the way funding has been allocated to VET outcomes for recognition or assessment only pathways.
 - Best practices in Australia and internationally have demonstrated that:
 - Non-formal education with high levels of alignment to formal qualifications results in easier pathways for candidates to complete RPL assessments.
 - Empowering behaviours from assessors and developing trust between candidates and assessors assists in overcoming candidate's doubts and increases the quantity of RPL completions. To support candidates through RPL assessments this requires actively minimising the gap where possible and be mindful of how we support candidates when there is a wide gap between learning pathways and assessment requirements.
- Regulate to allow employment of unqualified juniors (those below 21 years of age) in a recognised trade vocation outside an apprenticeship, provided they have completed, or are enrolled in the relevant trades qualification.
 - This will create a new dynamic that will be welcomed by many unqualified juniors, employers and RTOs.

- Endorse a marketing campaign to raise the profile and awareness of new trades pathways.
 - With such significant proposed changes this will require a significant raising of awareness.

Draft recommendation 3.3

- Target Smart and Skilled funding more effectively by refining the NSW Skills List. Prioritise funding to courses that demonstrate value to industry, or represent skill shortage areas.
 - Prioritise funding in a manner that recognition of prior learning or assessment only pathways are funded in a manner that acknowledges the differences between Formal, Non-Formal and Informal education and how these different pathways change the dynamic and assessing workload for RTOs.



Formal training and assessment pathways are designed with the qualification requirements in mind and therefore the learning pathways mirror the assessment requirements.



Non-formal education pathways are designed with the organisational requirements in mind. Mapping of the learning pathway can often demonstrate minimal gaps in the alignment to formal education assessment requirements.



Informal learning may relate but is not typically undertaken with a preconceived idea of aligning to formal education outcomes.

Draft recommendation 3.4

- Extend Smart and Skilled subsidies to targeted short courses and micro-credentials that provide discrete skills employers recognise and value.
 - Smart and Skilled subsidies are currently based on VET sector outcomes and therefore some of the recommendations here need to be better defined to be able to ensure alignment with the AQF.
- Use economic and industry data to identify high value micro-credentials to fund.
- Prioritise courses that have better evidence of employer trust and recognition, high quality assessment, and alignment with the Australian Qualifications Framework (AQF).
 - Currently there is no clear definition of micro-credentials.
 - Often individual or clustered units of competency are not within a recognised training package skill set, however they are still relevant to the skills required in an industry or by an employer and therefore could be used to satisfy a need and these are clearly defined VET outcomes that could be defined within a 'micro-credential' that already aligns to the AQF and therefore should be an efficient and effective opportunity to make adjustments to how Smart and Skilled subsidies are determined.
 - Typically courses with employer trust and recognition are aligned with the AQF however the alignment may not be readily documented.

- Use a risk-management approach to funding, with the capacity to quickly freeze or withdraw funding if problems are identified.
- Support the development of voluntary systems of trust and recognition for micro credentials, for example alignment to AQF levels or the adoption of 'credit points' standards.
 - Cascade Concepts is a business that focuses on documenting alignments between non-formal education and AQF outcomes, this has a range of potential benefits;
 - Organisations providing non-formal education can use the alignment mapping to assist with assessment pathways within their own or partnered RTOs.
 - Participants can use the alignment mapping as part of the evidence towards AQF outcomes with any RTO of their choice.
 - RTOs can use the alignment mapping for targeting particular cohorts and conducting assessment based on non-formal education outcomes.
 - Government subsidies could use alignment mapping as a tool to prioritise non-formal courses that have alignment to the AQF.

Community Sustainability

Local community initiatives are often better managed by local governments either individually or collectively within a region, but the support of the State government is required because the flow on impacts have benefits across the state. COVID-19 has changed many things however I am going to focus on one item, the changing nature of work and the potential impacts and how this could be of benefit to local communities and the wider productivity of New South Wales.

- Changing working arrangements are likely to have some longer term impacts.
 - Greater use of technology for conducting meetings
 - Lower reliance on staff having to be located together
 - Increased appreciation of reduced peak hour travel times
 - Recognition of the social needs that workplaces fulfil
 - Greater engagement within local communities
 - Changes in working arrangements results in changing transport needs

- What this potentially means for workplaces:
 - The need for large centralised office spaces may be reduced
 - Staff appreciate social interaction and realise that this may be achieved in other ways and therefore shared workspaces may shift from being something small businesses predominately engage in to also include larger organisations having satellite offices where employees can work closer to home with the services and social aspects of working with others in a location that is closer to their home.
 - Continued use of home offices and therefore infrastructure and tax implications.

- For the state government:
 - An increased need to work with local governments to coordinate cross council projects that benefit the major local centres within greater Sydney.
 - Increased opportunity for regional areas to grow as remote working enables a wider workforce to engage in roles that would have previously been restricted to a locality that could commute to a fixed location.
 - Conducting analysis of increased peak traffic spots that could be targeted with public transport that is not as focused on getting massive numbers to a few key areas and increasing safe active transport options.
 - Increased infrastructure for active transport.
 - Review of the appropriateness of laws for cyclists with an emphasis on different road types, shared paths and other options instead of simplistic laws that force cyclists of all abilities into one category. The adult female rider riding five minutes to the local shop is different to the adult male who wants to do an hour commute.