

# Reforming VET performance

Submission by the Australian Council of Trade Unions to the  
Productivity Commission inquiry into the Skills and Workforce  
Development Agreement.

## Contents

Introduction .....	1
Response to requests for information .....	1
In summation .....	3

## Introduction

The ACTU welcomes the opportunity to make a submission to this inquiry. As the peak body for Australian Unions, the ACTU represents the more than 1.6 million union members in Australia as well as speaking out for the rights of all workers. As the representative of Australian workers, the union movement has long maintained a close involvement in the VET system at all levels – from the delivery of training by union members through to the design and implementation of training products. While the ACTU is not a holder of significant statistical information on the VET system and is therefore unable to respond to many of the requests for information raised in the discussion paper, this short submission will respond to a selection of the Commission’s requests. We also expect that this submission will form only our initial response to this inquiry and that we will be able to provide more fulsome input into later stages – particularly around issues of quality, cost and oversight. The ACTU would also like to take this opportunity to commend to the Commission the submissions provided by our affiliated unions, whose on-the-ground experience with the VET system and the workers it serves will be invaluable to any serious attempt to address the shortcomings of the current VET system through reform to the National Skills and Workforce Development Agreement.

## Response to requests for information

### *Whether the objectives and policy directions for the VET sector set out in the NASWD are suitable for the future and why*

The objective laid out in the current NASWD is fairly adequate, though it could be improved in order to address future challenges. The current objective uses language that will likely fail to replicate how the VET system is used in future – as a source of life-long learning with workers likely to return for new qualifications or upgrades of existing qualifications on multiple occasions through their career.

The current language, with references to increased workforce participation, does not reflect the reality that VET participation in future will be necessary not just to increase workforce participation but to maintain current levels as Australia’s industries, and the required skills mix of our workforce, undergo change. The inclusion in the objectives of language which recognises this role for the VET system and which seeks to ensure that it is adequately fulfilled would be appropriate.

It should also be noted that the current objective statement charges the VET system with delivering a “productive and highly skilled workforce” but makes no mention of the VET systems requirement to set and maintain industry standards or how this should be achieved. It will be of

even greater importance in future that the VET system is focussed on delivering quality, industry-relevant training to students. The inclusion of language to this effect would make clear that the delivery of such training is the true purpose of the VET system and not merely one of the possible means to the end of a productive workforce. Objectives and policy settings which place the delivery of quality, industry-relevant vocational training and which measure the effectiveness of that training at moving people into work in the area in which they studied are those which should be prioritised in future.

### *To what extent do (and should) users (students and employers) determine VET offerings?*

Students and industry (made up of employers and unions) should play a significant role in determining what courses are available through VET, how they are delivered and the geographical spread of courses. These two groups (students and industry) are the most informed about future skill needs, current skill gaps and what skills are most needed in which areas. They are also the best source of information about the efficacy of various training delivery methods and how training is best structured. Ideally the role of government and the bureaucracy should be to facilitate the input of these groups, deliver informational and other campaigns in line with industry-agreed priorities and execute collaboratively-developed industry policy.

This is unfortunately not the reality in the current VET system. There are fundamentally three reasons why this is the case. The first is that government and the bureaucracy act as limiting forces on industry input into the VET system. Unions are regularly locked out of design and consultation processes – meaning both their expertise and the expertise of the workers, and the VET teachers, they represent is lost. When unions and employers are permitted to collaborate on VET, such as in training product design, arbitrary limitations are placed on the recommendations that industry can make – such as the prevention of IRCs from mandating apprenticeship arrangements for some VET qualifications despite unanimous industry support. These decisions are made for reasons that are either unapparent or which serve purposes of certain actors in the VET system (states, the federal government, RTOs) rather than the system itself.

In addition to this, individual Australian employers, as distinct from their peak bodies, are generally uninvolved consumers within the VET system, rarely doing more than complain about the quality of graduates while making no effort to develop effective partnerships with training organisations in their area or to contribute to the training of their own staff. Employers must become more engaged in the training of their workforce of the future in a practical, on-the-ground manner to ensure that future skills needs are met and to provide accurate, granular information about training needs.

Finally, the need of the market is often interpreted as ‘what the RTOs want’. This means that RTOs, or their perceived interests, are allowed to dictate a significant number of important

decisions about which VET courses are offered and where they are available. This can mean that decisions are made which negatively impact both the quality and 'fit' of the services offered to students and industry in order to meet RTO's financial needs. The stated purpose of the VET market was to allow the VET system to be more responsive (whether this is achieved by introducing profit motive is debatable but not relevant here) and yet more often than not the system is required to respond to the market's needs and not the other way around.

The above forces often combine to reduce the influence that students and industry can have on the VET system meaning that opportunities to ensure training is up-to-date, relevant to industry and high quality are lost.

## **In summation**

As outlined earlier, the ACTU plans on providing additional input to later stages of this inquiry in the hope that the NASWD can be reformed in order to meet future needs and to focus more clearly on ensuring the VET system can deliver quality, industry relevant training with effective oversight from government. Other factors that we also intend to comment on are: cost, VET funding, the role of ASQA and the interaction between VET and other tertiary qualifications. We trust that the information provided above will assist the Commission in the preparation of its upcoming interim report.

**address**

ACTU  
Level 4 / 365 Queen Street  
Melbourne VIC 3000

**phone**

1300 486 466

**web**

[actu.org.au](http://actu.org.au)  
[australianunions.org.au](http://australianunions.org.au)

**ACTU D No.**

52/2019