

NSW VET Review

Discussion Paper | August 2023



Acknowledgement of Country

The NSW Department of Education recognises the traditional custodians of the lands and waterways where we work and live. We celebrate Aboriginal and Torres Strait Islander people's unique cultural and spiritual relationship to Country and acknowledge the significance of their cultures in Australia.



This artwork was commissioned for the NSW Department of Education reconciliation action plan. It was created by Suzanna Bulai, a student at Boggabilla Central School on Gamilaraay Country in northeast NSW.

Message from the NSW VET Review panel chair

On 23 June 2023, the NSW Government announced a review of the NSW vocational education and training (VET) system. The NSW VET Review (the Review) aims to identify current strengths of NSW VET, gaps and opportunities for improvement.

It is a great privilege to be chairing the panel that is leading this Review, and I am fortunate to be joined by my esteemed colleagues, the Hon. Verity Firth and Mr Jason Ardler. Our combined experience affords a considerable understanding of the NSW VET system and knowledge of different student pathways and cohorts, and relevant academic and government reviews.

As a panel, we have been tasked with looking at the current state of the VET system and advising the NSW Government on what we can do better, thinking bold, strategically and with an eye to the future. At the heart of the Review is looking at TAFE NSW, our largest public provider, and considering its role in a thriving tertiary system.

Having spent time as a TAFE NSW teacher, I know first-hand the transformative role that the VET system plays in shaping the lives of individuals and communities. This Review aims to ensure that learners across our state have access to high-quality training that meets their needs, both now and in the future, and that our workforce has the skills, knowledge and adaptability required to thrive in a rapidly changing world.

Your input, expertise and voice are important. We want to hear from a diverse range of stakeholders, from educators and trainers to employers, providers and students, and the broader community. This discussion paper has been developed to stimulate conversation and debate, and to pose questions for us to consider as part of our consultation process, a process designed to be comprehensive and

extensive. I am particularly interested in hearing thoughts and practical solutions to the challenges outlined in the paper.

The paper canvasses four themes:

1. Boosting student success
2. Placing TAFE NSW at the heart of the system
3. Delivering VET in NSW
4. Preparing VET for the future

As a panel, we welcome broad and deep discussion about the issues confronting the NSW VET system and look forward to listening and carefully considering what we learn, to inform our interim report to the Minister in December this year.



Dr Michele Bruniges AM
Chair
NSW VET Review

Introduction

The NSW VET Review (the Review) is a comprehensive examination of the vocational education and training sector. It seeks to identify the strengths, gaps and opportunities to improve skills development and training, to support our students and workforce.

Purpose

The Review is driven by the Terms of Reference which aim to:

- Rebuild and strengthen TAFE NSW, recognising its vital role in serving our community
- Address the current and future skills needs of NSW
- Examine the challenges faced by individuals experiencing disadvantage and explore recommendations to promote equity, particularly in regional and remote areas
- Restore confidence in our high-quality vocational education and training system.

Opportunities to be involved

Your voice is important, and we welcome input from all stakeholders as we conduct this Review.

You are welcome to:

- Provide a written submission, responding to some or all of the questions in this discussion paper, and then emailing your submission to nswvetreview@det.nsw.edu.au
- Complete our survey which will be available at <https://www.haveyoursay.nsw.gov.au/vet> from Tuesday 15 August.

Submissions to this discussion paper will close Friday 24 November.

Review timelines

- August 2023: Discussion paper released
- August 2023-early 2024: Public consultation
- November 2023: Public submissions to discussion paper close

- Late 2023-Early 2024: NSW Skills Summit
- December 2023: Interim VET Review Report
- June 2024: Final VET Review Report presented to the NSW Government

Throughout 2023 and 2024, we will share updates and progress on the Review at <https://education.nsw.gov.au/about-us/strategies-and-reports/our-reports-and-reviews/nsw-vocational-education-and-training-review>.

Discussion paper contents

This paper will discuss four key themes where the Review is interested in seeking feedback through its consultation process:

1. Boosting student success
2. Placing TAFE NSW at the heart of the system
3. Delivering VET in NSW
4. Preparing VET for the future

Across these four themes, engagement and partnerships are critical to system-wide success.

While questions are posed throughout the discussion paper to prompt your thinking, we do not expect them to be answered, but rather act as a guide in public submission responses. Throughout the consultation we want to hear from stakeholders on:

- What are the key challenges and opportunities facing the VET sector?
- What existing initiatives and programs work well or can be enhanced?
- What new strategies could be implemented or what needs to be done differently?



VET in NSW – an overview

In NSW there are over 1 million learners engaged in VET, including in apprenticeships and traineeships, at TAFE NSW facilities, Adult and Community Education (ACE) providers, private Registered Training Organisations (RTOs) and in our senior secondary schools.

VET produces significant outcomes for learners, businesses, communities and our state, skilling our workforce in many areas, including childcare, health and aged care, trades and IT and cyber security. There has never been a more important time and opportunity to reflect on the challenges facing VET and assess what is and is not working. Our aim is to ensure we have a VET system in place that supports everyone to succeed and serves the needs of NSW now and into the future.

In partnership with the Commonwealth, the NSW Government plays both a national collaborative and state-specific role in VET. The levers considered throughout this discussion paper primarily relate to our state-specific role.

This includes:

- Responsibility for TAFE NSW, the largest public VET provider in Australia.
- Major funder for VET delivery through programs such as Smart and Skilled. This funding helps drive what is delivered, where, by which provider, and any quality or other requirements.
- Responsibility for apprenticeships and traineeships and some associated incentives.
- Supporting and delivering major programs, from VET for secondary students (VETSS), to equity programs, careers guidance, foundational skills and wrap around support.
- Provision and use of government land, facilities, procurement policy, and investment in systems and technology.
- Other economic, planning and investment levers and as a major employer (or commissioner) in sectors that need VET-qualified workers.

VET in NSW – snapshot

Size of the system



over
1 million

learners engaged in VET in NSW¹



more than
100,000

apprentices and trainees undertaking study¹



over
40,000

learners undertaking VET in secondary schools in NSW¹



36%

of government-funded VET students nationwide are enrolled in NSW⁵

Providers

over
1,000



Registered Training Organisations (RTOs) offer training in NSW², with over 500 providers receiving NSW Government funding³

TAFE
NSW

is the largest training provider in NSW, enrolling **over 400,000 learners per year⁴**

over
30,000



learners accessing Adult and Community Education (ACE) programs⁶ with **32 ACE providers** funded to deliver training by the NSW Government⁷

Learners

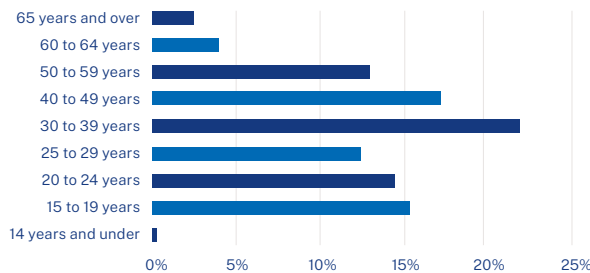


50% **49%**

Female Male

Other and unknown accounts for 1%⁸

Total VET students by age¹



5%

of students identify as Aboriginal and/or Torres Strait Islander⁸

5%

of students with disability⁸

29%

of students living in regional, rural and remote areas⁸

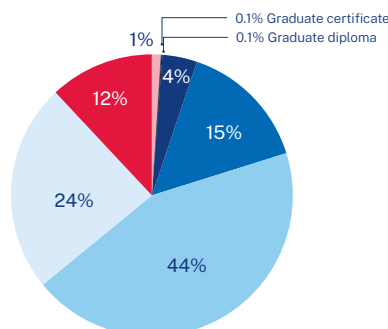
44%

of students in quintiles 1-2 of the SEIFA (IRSD) index⁸

Qualifications

Level of education⁹:

- Certificate I
- Certificate II
- Certificate III
- Certificate IV
- Diploma
- Advanced diploma
- Graduate certificate
- Graduate diploma



Top programs by enrolments⁹:

1. Certificate III in Early Childhood Education and Care
2. Certificate III in Individual Support
3. Certificate III in Electrotechnology Electrician
4. Certificate IV in Training and Assessment
5. Certificate III in Carpentry

1. Boosting student success

A positive student experience generates strong learning and employment outcomes, empowers students, and broadens their life choices. Boosting student success in the VET sector is critical for NSW to deliver a higher skilled workforce, drive economic growth and innovation, while also building stronger communities.

Enhancing student outcomes and experience

The NSW VET system should achieve strong outcomes and positive experiences for all students

There are a range of measures of student success, including participation and completion rates, student satisfaction, experience and wellbeing, employment outcomes, and employer satisfaction.

Completion rates are an important measure of success because they enable transitions into further education, training and employment, equipping students with key skills and knowledge. Many complex factors beyond training and support, however, affect student completions and the reporting of completion rates. This includes the increasing interest in shorter forms of training and part-qualifications that enable workers to rapidly upskill and access targeted training.

While the NSW VET sector is achieving strong completion outcomes, there are some areas for concern including falling completions for certain trade programs, lower-level qualifications and VETSS. Of key concern is the numbers of students whose background, circumstance or where they live make them significantly less likely to complete their studies.

Employment outcomes are also important, as they speak to students' capacity to use their education and training to contribute to the workforce and to earn an income. While overall employment outcomes are strong across the VET sector, there are some noteworthy issues, including the proportion of under 25-year-olds engaged in education, training or work, with the participation rate only marginally increasing between 2018 and 2022 despite skills shortages and strong labour demand¹⁰.

Other measures include the positivity of the student experience, and student wellbeing. Some aspects of student satisfaction ratings have declined in recent years, especially for regional, rural and remote students since 2018¹¹.

Discussion questions

- What does success look like for VET students, beyond simply completing their qualification?
- What existing initiatives and programs work well or can be enhanced to address barriers to completion?
- How can VET students be better supported to ensure they gain suitable and rewarding employment?

Expanding equity and access

Breaking down barriers to participation faced by NSW learners

VET opportunities are critical to enhance social and economic participation of people from all backgrounds. This can lead to greater chances of success, career choices, self-esteem, and contributions to the economy and productivity. There is already significant investment in supporting participation across the sector. The range of support services available includes foundation skills, English language support, childcare, counselling, careers guidance, bespoke equity support programs as well as funding to support access to training. In addition, the sector is increasingly offering flexible and digital delivery options. However online delivery presents additional challenges associated with digital literacy and digital access, particularly for regional, rural and remote learners. Overall, there is still a need to find



new strategies to improve access and participation rates across all learners, ensure participation leads to positive outcomes, and to address barriers.

Many students face complex barriers to participating in and completing VET studies

While challenges faced by different students are unique, there are some intersecting and common barriers to participation, such as language and literacy hurdles, difficulties in gaining recognition for prior education and work experience, a lack of prior employment, geographical location and limited availabilities of employers and VET educators. New South Wales performs well against the national averages, however, there is room to improve participation and completion from Aboriginal and/or Torres Strait Islander students (particularly in higher level qualifications), regional, rural and remote students, students with disabilities and women in science, technology, engineering and mathematics (STEM) and trades courses. Other groups facing barriers to educational participation include people in care, people leaving prison, refugees and asylum seekers, long-term unemployed, older workers, and trans and gender diverse learners.

TAFE NSW makes a significant contribution to participation equity, with higher than national average participation rates for Aboriginal and/or Torres Strait Islander students, students with a disability, students with language other than English and students from lower socioeconomic backgrounds. However, the VET sector overall faces difficulties with lower rates of completion for cohorts who face barriers to their learning as described above.

Discussion questions

- What existing strategies are working well to support participation, completion and pathways to employment of students from diverse backgrounds? What new strategies could be implemented?
- How can VET student support services change to increase participation and achieve better outcomes for diverse cohorts?

Maximising student pathways to success

VET for secondary students (VETSS) is a critical pathway to work and further training

VETSS is delivered in schools and through public and private school registered training organisations, TAFE NSW, and external providers. VETSS programs can combine training, workplace experience and school, and enable students to gain an industry-recognised qualification that provides credit towards the Higher School Certificate (HSC). VETSS course enrolments are high in areas of industry demand, such as hospitality, construction, and retail services. Over 40,000 students studied VETSS subjects in 2021, producing good outcomes for many, particularly those undertaking school-based apprenticeships and traineeships¹².

However, VETSS continues to face challenges around participation, completions, employers providing placements for students, prestige, and perception as part of the HSC. The success of its delivery relies on the availability of an appropriately and currently skilled VET teaching workforce, and there are challenges relating to workplace learning opportunities and supervision. Additionally, integration of VETSS into the secondary school system, in practical terms such as timetabling, VET teaching facilities and funding, is critical to its success.

Careers advice and industry engagement plays an important role in enhancing success, informing students of their pathway options into VET, and different career journeys. This need was recently underlined by the establishment of Careers NSW, which includes a new case management service for early school leavers as well as providing broader careers information and advice for NSW secondary school students.

Discussion questions

- What barriers exist within the secondary school system which may inhibit the growth of participation in VETSS? What solutions are there to these barriers?
- What innovations in delivery modes, course offerings and student support services could drive improved participation rates and outcomes in VETSS?

- How might careers guidance be enhanced for school students undertaking VETSS and their parents, teachers and influencers?
- How might industry and education partnerships and workplace learning opportunities improve VETSS students' learning outcomes and post-school pathways planning?

Apprenticeship and traineeships provide quality employment outcomes for students

Apprenticeship and traineeship (A&T) participation grows skills in NSW by blending formal learning with on-the-job training and providing major pathways to careers in many crucial sectors. It is a dynamic area with significant growth in key skill demand areas, such as engineering, information and communications technology (ICT), science workers, clerical and administrative workers, and community and personal service workers. Commencements in A&T programs have grown significantly since 2020, however there are emerging concerns over completion rates during this period in the face of higher withdrawals and cancellations, in part associated with wages, working conditions and the training experience¹³.

These completion rates may have been negatively impacted by COVID-19, affecting some sectors more than others. In addition, certain cohorts remain under-represented in A&Ts, for example, women in trades and people with disability. Greater focus is needed to ensure that A&Ts are meeting learner and industry demands and are supportive of the distinctive needs of equity cohorts.

Discussion questions

- What innovations in delivery modes, course design and student support models could drive improved completion and participation rates in A&Ts?
- How can governments, industry and employers support student success in A&Ts?

2. Placing TAFE NSW at the heart of the system

TAFE NSW has a vital public mission to support student success and deliver NSW skills needs. A critical challenge is how to place TAFE NSW at the heart of the VET system in a way that optimises public value for the state.

Defining the purpose of TAFE NSW as the public provider

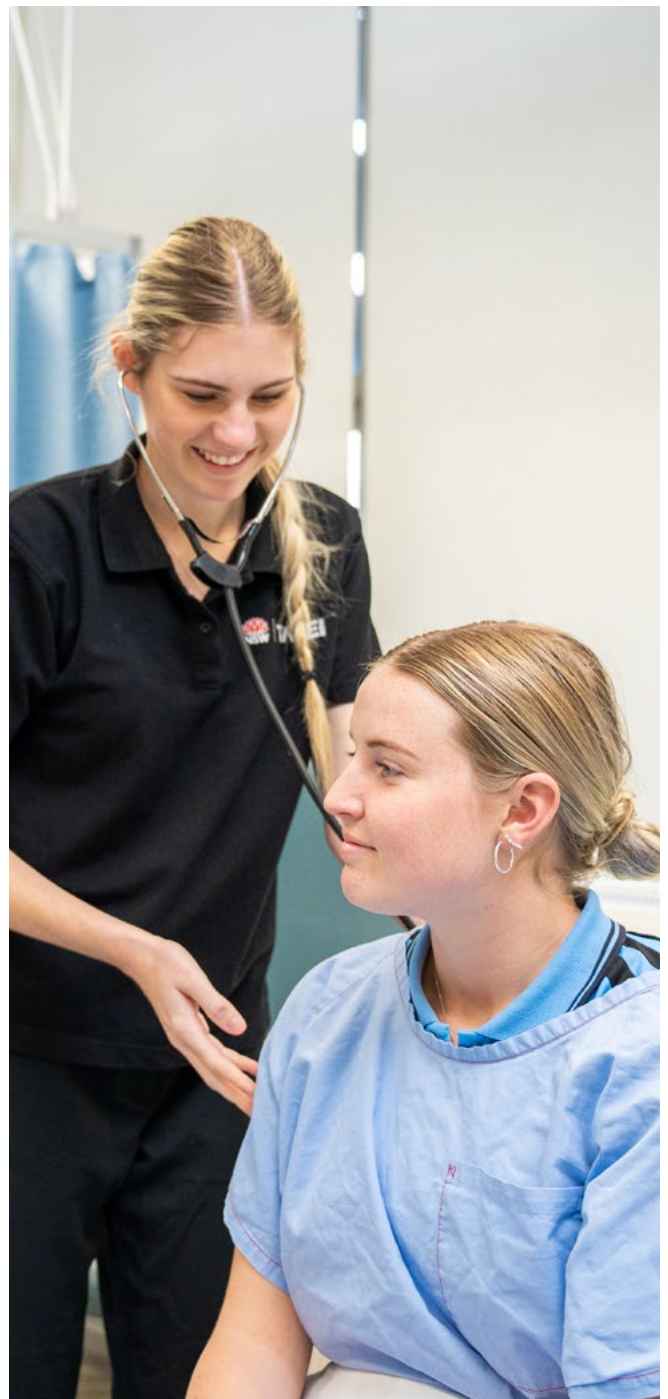
TAFE NSW creates significant public value for NSW

TAFE NSW is a leading provider of vocational training within Australia, making a critical contribution to the skills base of the NSW economy while also alleviating social inequalities. TAFE NSW delivers over 400,000 enrolments per year, across a comprehensive range of accredited qualifications and hundreds of non-accredited microcredentials and micro-skills. The reach of TAFE NSW is broad, with 156 operational campuses and 200 connected learning points, enabling greater accessibility for learners in remote communities complemented by online and hybrid delivery and workplace-based learning options¹⁴.

TAFE NSW is challenged by balancing its public mission with commercial imperatives

TAFE NSW faces difficulties in meeting the wide range of expectations placed upon it by its many stakeholders, and uncertainty around balancing commercial imperatives with its public mission. TAFE NSW is central to the state's VET sector, delivering 64% of all Government funded training in NSW in 2021¹⁵, and 79% of its apprenticeship commencements¹⁶. NSW is more reliant on TAFE to deliver some critical qualifications than other states.

The tension between the public mission of TAFE NSW and financial pressures arising from competing commercial imperatives is evident in the costs associated with delivering critical, high-priority courses in which TAFE NSW has very high market share. TAFE NSW also has high volumes of students requiring additional support, placing pressures on its funding. Further, it is of substantial public value that TAFE NSW service regional, rural and remote areas, but it faces challenges in achieving sustainable student revenue in these communities due to lower student numbers.





TAFE NSW faces significant ongoing challenges to recruit and retain teaching staff, with this workforce also facing challenging administrative burdens in adhering to complex State and Commonwealth legislation.

Discussion questions

- What role should TAFE NSW play in a thriving NSW VET system?
- How should the role of TAFE NSW be defined and communicated to promote its long-term success?
- What needs to be done to position TAFE NSW at the heart of the NSW VET system?

Scoping the broader components of the NSW VET system

Providers other than TAFE NSW play a key role in the delivery of VET in NSW

Non-TAFE providers, including private RTOs, community-based, industry, and enterprise providers, play an essential role in meeting the skills needs of NSW. In the contestable market, these providers deliver a significant volume of the high-quality training required to meet the needs of students and employers. For private training providers in 2021, there were over 370,000 total VET program enrolments across over 1,000 private RTOs. Private providers delivered nearly 17,000 secondary school enrolments and training for 58,000 apprentices and trainees¹⁷.

ACE providers also play a unique and critical role within the NSW VET system. ACE providers offer regional access and support for students who experience disadvantage and significant barriers to training and employment. In 2021, ACE providers delivered training to over 30,000 learners, with very high proportions of unemployed (31%), with a

disability (12%), and Aboriginal and/or Torres Strait Islander (11%)¹⁸.

Considering the most effective blend of service provider types

There is a need to be deliberate about the blend of service provider types and their respective roles in meeting skills and learner needs in NSW. Consideration should be given as to the range and quality of provision by non-TAFE providers, and to the optimal utilisation of funding arrangements.

Contestable funding is provided to RTOs through the NSW Government's Smart and Skilled program, which uses various levers to drive outcomes including contracting and a Skills List to prioritise training needs. In addition to TAFE NSW, there are over 500 providers contracted under Smart and Skilled for 2023-24, and 32 ACE providers who receive funding through a competitive process that assesses quality, student outcomes, financial viability, scope of training, and the locations in which they operate¹⁹. NSW also provides other grants to support providers.

Discussion questions

- What do you see as the optimal balance between TAFE NSW and for non-TAFE VET providers in meeting the skills needs of NSW?
- How can we ensure that the correct mix of providers is in place to maximise access for all learners and deliver the right skills and qualifications required to drive the NSW economy?
- What kind of partnerships between different VET providers are needed to meet student, community and industry needs? Are there any existing successful partnerships, and what can we learn from their success?

3. Delivering VET in NSW

VET delivery in NSW faces challenges arising from complicated funding arrangements. As the need for training increases and facilities age, innovative approaches to providing infrastructure are needed to deliver high-quality learning. Overall, VET delivery must be optimised to meet the current and future skills needs of NSW.

Ensuring funding models are appropriate for the present and future of the NSW VET system

Funding models and arrangements must be efficient and fit for purpose

Current funding models for the VET sector are complex and can create challenges for the sector in delivering high-quality education in areas of skills shortages and meeting the needs of diverse students. Funding for VET is shared between the Commonwealth and NSW Governments. Commonwealth funding is delivered through specific purpose payments which target key priorities as outlined in the National Agreements and through time-limited funding delivered via National Partnership Agreements or Project Agreements. A new National Skills Agreement is currently under negotiation for funding from 2024. The complexity of sector funding arrangements is also increased by the utilisation of different state funding streams, involving a mixture of contestable, limited contestable, block grants and program specific funding.

Funding arrangements should better reflect costs of delivery

Appropriate funding arrangements for qualifications in NSW, in terms of both fees and prices, is an important area of focus. Many qualifications that are relatively expensive for providers to deliver are in areas of high skills demand, and include those that require hands-on practical training, such as trades, and health, wellbeing and community support qualifications. Moreover, NSW relies on TAFE NSW to deliver certain qualifications, including in areas facing critical skills shortages, to a significantly higher extent than other states²⁰.



A further challenge is providing adequate funding and appropriate loadings for regional, rural and remote communities and accommodating for the needs of diverse students. In many regional, rural and remote areas, smaller student numbers drive up the actual cost per student, despite delivery costs being similar to metropolitan locations. Additional costs can also arise due to the diverse needs of the demographic within regional areas.

Discussion questions

- How can funding arrangements best meet the NSW VET system's goals around skills and equity?
- How should funding be deployed to support an optimal mix of providers and recognise the different costs of course delivery and student support needs across providers?

Examining capital investment options to ensure facilities are fit for purpose

Appropriate facilities and infrastructure supports the delivery of high-quality training

A key challenge across the system is maintaining, replacing and obtaining physical and digital infrastructure, such as workshops, equipment, classrooms and digital platforms. Capital investment and a focus on future-fit facilities is necessary to ensure the safe and effective provision of high-quality training and education, and the currency of VET qualifications in light of evolving industry needs, expectations, standards and developments.

All providers require access to appropriate facilities, including NSW senior secondary schools. As public providers, government schools also face challenges around capital investment, and ensuring students from across NSW can equitably access these facilities. There is a need to explore options for managing the diverse facility needs across the VET system, including long-term investment by government, partnership arrangements between providers and provider types, and partnership with industry.

Discussion questions

- What are the key challenges and opportunities in allocating capital investment to ensure that facilities, including physical and digital infrastructure, are fit for purpose?
- How can we ensure equity of access to facilities for all VET learners?
- Are there opportunities for industry partnerships in improving access to facilities across the sector?
- What asset sharing and other facility access opportunities should be considered?

Delivering the skills needed by NSW to contribute to labour mobility, industry and the economy

There are persistent and widespread skills shortages across NSW

NSW is experiencing persistent and widespread skills shortages, as demand for skilled labour continues to trend upwards and supply fails to keep pace. The National Skills Commission's 2022 Skills Priority List identified NSW as the state in Australia with the highest proportion of occupations in skills shortage, at 40% of occupations, a significant increase from 2021²¹.

Given the strength of the labour market, there is a need to increase the participation of those not engaged in employment, training or education, and to explore how the VET sector could refocus its offerings towards areas of greatest skills need, while supporting broader socio-economic outcomes for individuals and employers. A key challenge is to ensure that delivery modes and VET offerings are appropriately positioned to meet these priorities, particularly in relation to the role of blended and online delivery, shorter form courses or part-qualifications, and work-connected learning and experiences.

Skills shortages are particularly concentrated in essential areas

Skills shortages are prevalent in essential areas, including healthcare, ICT, aged and disability care, construction, mining and renewable energy. There are cyclical shortages of skills in some areas of high demand, as well as more structural and enduring shortages. There are chronic labour shortages in regional, rural and remote areas, and high growth in skills demand. Areas facing a chronic shortage of skills are driven by structural factors including demographic shifts, difficulties in attracting labour, wages and work conditions, housing affordability, a lack of public services and increasing prevalence of natural disasters.

Another key challenge is addressing a recent fall in employer satisfaction. This reflects feedback from employers that current VET qualifications are not sufficiently flexible, and that there is a need to update offerings to respond to changing workforce

needs and the emergence of new industries. While much of this is under Commonwealth control, training providers and employers still play a vital role in responding to these challenges and meeting skills needs.

Discussion questions

- How can the NSW VET system adapt to meet current and future skills needs in NSW, to address structural and cyclical shortages, and needs for essential occupations?
- How can NSW VET adapt to meet skills needs in regional, rural and remote areas?
- How might the NSW VET system best ensure that employers are satisfied with VET?



4. Preparing VET for the future

The rise of new technologies, the emergence of new industries and the need to address diverse social and environmental challenges demand innovative thinking and strategies to ensure the NSW VET system is fit for the future.

Addressing VET needs of the future

Technological, social, environmental and economic developments will present significant opportunities and challenges for the NSW VET system

The labour market is becoming more complex in NSW in light of disruptive new technologies such as artificial intelligence, the growth of new industries and the recent rebound in skilled migration post pandemic. The macro-economic context of the VET sector is also increasingly complicated by demand and supply side considerations, ranging from the labour market impacts of globalisation, shifting demographics which have created heightened demand in care and related sectors, and ongoing reforms to industrial relations policy at both the state and Commonwealth levels. Furthermore, jobs in NSW are progressively requiring a higher level of skill, which has implications for the delivery of VET.

NSW is also facing new social and environmental challenges, such as the impacts of climate change and the transition to clean energy. These trends accentuate the need for the VET sector to position itself appropriately to meet the shifting patterns of labour demand and supply in NSW, with greater demand for higher skilled jobs and rapidly shifting student and industry needs. Some key challenges include the need to innovate in-program design, accurate workforce projections to assist the training market to deliver the right qualifications in the right places, and to improve collaboration with industry.

Discussion questions

- How should the NSW VET system position itself to effectively respond to current and future economic, social and environmental challenges?

Pathways in the tertiary sector

VET is part of a broader ecosystem with universities and other higher education providers

VET exists as part of a broader tertiary system, where the traditional boundaries between higher education and VET are blurring. Students should be supported to transition between learning pathways that will best support them to achieve their aspirations, especially as individuals increasingly look for ways to reskill and upskill throughout their lives. While it has long been discussed, possibilities for improved alignment across the tertiary sector are currently under consideration by the Commonwealth Government. For example, student-centred issues that influence VET transitions, including credit transfer and recognition of prior learning are being explored through the Australian Universities Accord (AUA) alongside a range of other critical issues.

NSW is testing innovative tertiary education models

There is a history of education providers across the sector partnering to deliver pathways between qualifications, though these are underdeveloped in many fields of study. These initiatives reflect a strategy of co-design and co-delivery in partnerships between VET, higher education and industry, underpinned by a shared commitment to courses which are flexible and responsive to industry's current and emerging needs. New models are also being trialled in NSW, with the launch of the Institute of Applied Technology (IAT) and New Education Training Model (NETM).

Both the IAT and NETM offer microcredential courses that can support learners' unique personal and career objectives while enabling rapid and industry-relevant upskilling. Microcredentials include short forms of learning and already exist as part of the national training system in the form of

Units of Competency (UoC) or groups of UoCs called Skill Sets. These part-qualifications have become increasingly popular.

Non-accredited microcredentials, such as those delivered by the IAT and NETM, are also offered by VET providers across NSW. These often fill niche gaps or are developed to quickly meet needs of emerging industries. A key challenge as these new models of education emerge, is ensuring they are recognised and provide clear pathways for students into further education or work.

Considering VET as part of a broader tertiary education sector, and new and innovative pathway opportunities will be essential to preparing for the future.

Discussion questions

- How can students be supported to transition to or from VET and higher education learning to achieve their aspirations?
- How might delivery modes and VET offerings be adapted to support skills needs and meet the evolving expectations of students and government?
- What role should smaller units of learning play, including both accredited and non-accredited qualifications?

Building and maintaining the NSW VET workforce

The NSW VET sector is experiencing a workforce shortage

Building a workforce of skilled trainers, educators and assessors is fundamental for the success of the NSW VET sector and economy. An absence of skilled VET teaching workforce is contributing to skills shortages, as TAFE NSW and private training providers are unable to provide the training necessary to address demand, especially in trades and regional areas. This issue might compound over time if unaddressed, as a shrinking, casualised and ageing workforce fails to attract and retain teachers and assessors, adding to a further reduction in the workforce as well as confidence in the VET system.

These workforce difficulties are shaped by a variety of factors. VET professionals are required to be 'dual professionals' and maintain industry currency alongside educational qualifications. However,

industry currency can be interpreted and applied inconsistently. The need for VET trainers and assessors to complete the Certificate IV in Training and Assessment (TAE) may act to dissuade potential VET workers. Administrative load, uncompetitive wages in comparison with industry, job uncertainty, and increased casualisation can also undermine the VET workforce. VETSS teachers in schools face the challenges above, with the additional requirement of a university-level teaching qualification.

There is a need to consider how to create appropriate career pathways between the VET sector and related industries, such as by offering secondments, retraining opportunities, and better leveraging TAFE teachers in school settings.

Increasing opportunities and access to TAE training for prospective VET professionals, while remaining focused on quality, is an ongoing challenge. Work has commenced to address some of these challenges, with recent changes to the TAE training package supporting greater flexibility for staff to gain trainer or assessor only status. Ongoing work to reform RTO Standards will also improve workplace flexibility going forward.

In addition, various initiatives at the national, NSW and TAFE NSW levels are seeking to address the VET workforce shortage. These include the national VET Workforce Capability Blueprint, NSW making TAFE qualifications (Cert IV and Diploma) fee free since 1 July 2022, and the TAFE NSW Paid to Learn Program where industry experts are paid to undertake training qualifications.

Discussion questions

- What factors make the NSW VET sector an attractive career opportunity, and how can existing strengths in workforce retention and recruitment be further developed?
- What are the central barriers and opportunities for the NSW VET system attracting the teachers and assessors necessary to provide VET going into the future?



Boosting confidence in the VET system

Perceptions of the VET system remain an ongoing concern

In NSW and around Australia, there are ongoing issues related to low perceptions and status of VET among potential students, employers and industry. There is a lack of parity of esteem and funding between higher education and VET, with higher education often being framed as a preferred option for school leavers, especially by parents and carers who are major influencers in student choice. Further, widely reported quality issues with a minority of VET providers may have weakened public confidence in the VET system. Employer satisfaction with VET, while still high, has declined in recent years²². This is due to factors including the inflexibility of training product processes and perceived quality of training, as well as concerns about the currency of training to match changing skills needs and emerging industries. This issue is also being explored as a national issue, with an ongoing Commonwealth inquiry addressing this topic.

There are opportunities to build confidence in the NSW VET system

Boosting confidence in the VET system among prospective students, parents, employers, and industry will serve to secure the long-term success of the VET system. Government responses to COVID-19 provide a model for how confidence in VET might be improved. These featured a strong focus

on skills and training to promote economic resilience and recovery. They also led to a significant increase in the availability of fee-free training offerings. Perceptions of training programs overall improved during the pandemic²³. These improvements could be leveraged to enhance overall perceptions of VET, especially when integrated alongside improvements to stakeholder feedback processes. In addition, the ongoing AUA process and progress against the commitments to reform made at the National Skills Summit in September 2022 offer an opportunity to re-articulate the integral role of VET relative to the wider tertiary education system.

Discussion questions

- How can the NSW government improve confidence in VET among students, industry, and the community as a whole?
- How can students be encouraged to consider VET pathways in their career planning? What is the role of parents and carers, teachers, careers advisers, industry and governments?

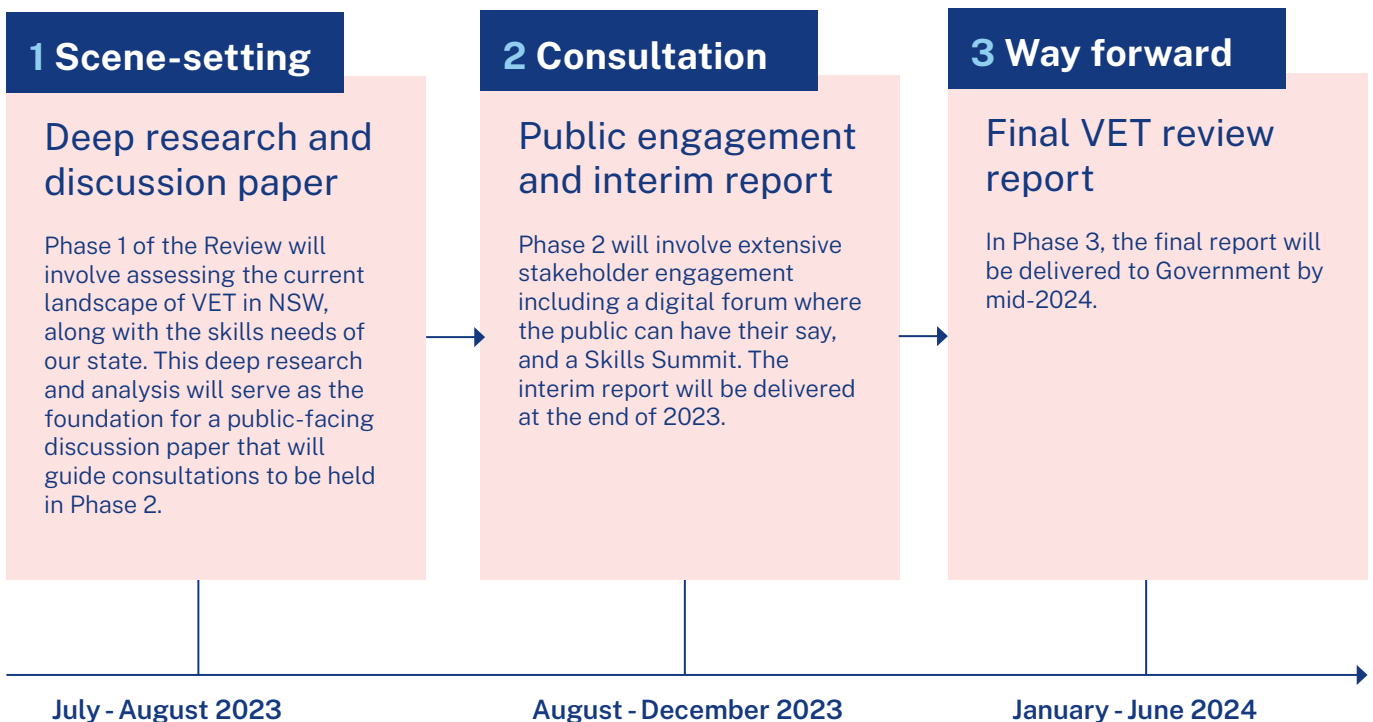
Future direction

Engagement and partnerships are critical to system-wide success

To successfully shift the dial on the topics outlined in this discussion paper, engagement and partnerships will be critical. The VET system may benefit from fresh approaches to engagement and collaboration with a range of actors to deliver on its public mission. The system may also benefit from a renewed focus on deliberate partnerships that harness the best mix of resources to deliver great outcomes for students including lifting the voice of VET learners.

Discussion questions

- How can the NSW government improve its approach to engagement and partnerships to support the VET system?
- How can VET students promote the value of VET to others, and how can the system better listen to student voices to deliver better outcomes?
- What is the role of industry in partnering with VET providers and government?



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