



# CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION

- ▼ *Advancing skills for the future: A strategy for vocational education and training in Queensland*

Department of Education and Training

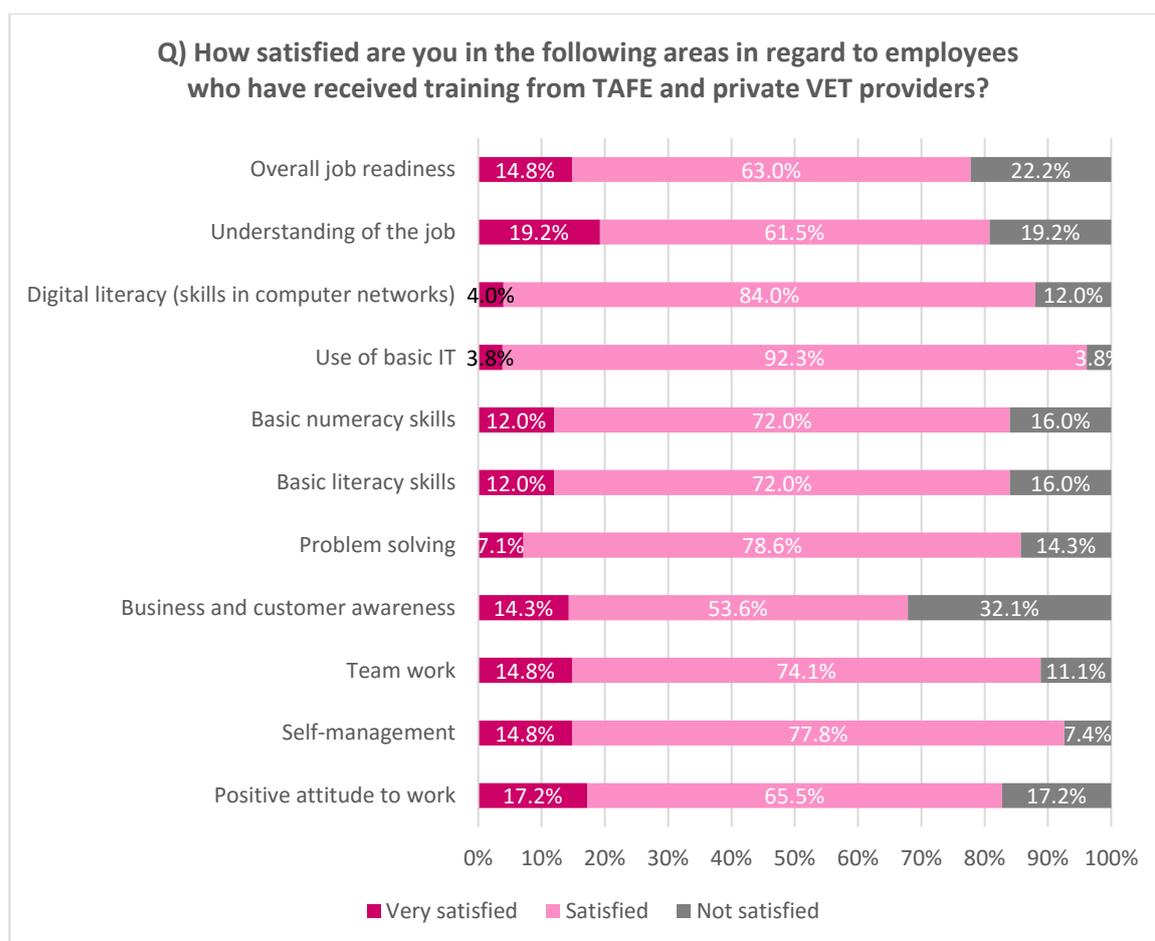
April 2017

## Introduction

1. The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback to the Department on the *Advancing skills for the future: A strategy for vocational education and training in Queensland* draft paper.
2. Queensland's labour market will be fundamentally reshaped by technological advances and a number of economic challenges over the next two decades. There is a very real risk of being left behind both nationally and internationally if we do not embrace progressive reforms in education and training to better prepare ourselves.
3. CCIQ has and will continue to be committed to ensuring businesses in Queensland can access the tools they need to become successful and remain globally competitive. This means being able to employ the right people, at the right time, with the right skills.
4. CCIQ recognises the importance of the VET sector in preparing workers with workplace-specific skills for a wide range of careers and industries including trade, office work, retail, hospitality and technology.
5. To this end, our organisation is involved with a number of workforce initiatives, including our own CCIQ Workforce Skills & Productivity Committee, our representatives within Jobs Queensland, the Australian Chamber of Commerce and Industry's Education, Employment and Training Committee and our ongoing work with the Department of Education and Training.
6. Each year, the Australian government spends approximately \$14 billion on VET and higher education. However, this significant investment has not yielded the expected outcomes and has created a number of issues such as:
  - a. Duplication across State and Federal Government;
  - b. Distorted funding incentives;
  - c. Scant market information;
  - d. Providers having disproportionate power in the marketplace;
  - e. VET being a 'poor cousin' to higher education; and
  - f. Poor provider behaviour resulting in diminished confidence in the VET sector.
7. It is to be recognised that a number of important changes to the VET system have since been implemented by the Australian Government in addressing the most pressing issues around quality, probity and conduct of some providers, low completion rates and unethical practices.
8. In October last year, CCIQ backed what was considered the first major step in turning around the nation's VET sector, the VET Student Loans program. CCIQ is confident this replacement of the VET FEE-HELP scheme will implement higher standards for training organisations, focus on courses that align with job opportunities and will ban brokers from recruiting students.

## Industry satisfaction with graduates

9. From an industry perspective, it is important to establish a system that prepares students for the expectations of employers and the demands of the labour market, as well as embrace life-long learning. This includes:
  - a. Ensuring the fundamental role of industry in the system;
  - b. The funding model across VET and higher education including FEE-HELP; and
  - c. A redesigned apprenticeship system that develops contemporary, relevant and higher level trade and para-professional skills across the economy.
10. In a 2016 CCIQ survey, it was found that 78% of Queensland businesses are satisfied or very satisfied with the “overall job readiness” of employees who received training from TAFE and private VET providers. This encouraging figure suggests Queensland’s VET system has largely avoided many of the widely-reported issues of our southern State counterparts, and also indicates significant improvements in the VET sector in recent years.



*Source: CCIQ Workforce, Education and Training Survey 2016*

11. The highest rate of dissatisfaction, at 32% of businesses, was attributed to “business and customer awareness” in VET graduates. Having business and customer awareness

means having a basic understanding of the key drivers for business success and the need to provide customer satisfaction.

12. Graduates who struggle to grasp this will find it difficult to find a job or advance their careers, while businesses will continue to have trouble finding suitable, well-rounded employees who actively pursue ways to drive business growth.

## Industry and Innovation

13. Queensland will not be immune to significant challenges that will affect the national economy over the next decade. Falling commodity prices coupled with the ageing population will mean overall workforce participation is projected to decline. Indeed, this is already taking place according to recent jobs data.
14. In order to maintain our living standards and growth in income, Queensland will essentially need to produce “more with less”, utilising our skills and intellectual resources more efficiently.
15. The implications of new technology for the workforce can present challenges as much as it does opportunities. Cloud computing, artificial intelligence, 3D printing and so on, will undoubtedly drive the creation of new jobs and the need for new skills while in effect replacing scores of predominantly low-skilled jobs. Education and training in the VET sector must therefore harmonise with this digital workforce.
16. While industry input is critical in this space, the current funding structure of VET courses will make it difficult for providers, who are looking to offer innovative courses, to make it possible. Uncertainty around student numbers as well as only having growing demand in the workplace (opposed to existing demand) will see many providers opting to not explore these opportunities.
17. When looking at innovation, the State Government needs to support the training providers who are looking to capitalise and support the growth of new and existing industries, as well as the rapidly evolving nature of some occupations.
18. Finally, innovation policy should be developed to encompass all components and industries - not just high-tech sectors - of the ecosystem rather than seeking to ‘cherry pick’ areas of special interest.
19. Furthermore, the focus should equally be shared on existing industries that have formed naturally within the region, additional to seeking to generate new industries, and education and training should address the skills challenges faced by businesses that are barriers to their growth.

## A Quality System

20. Industry is supportive of the vast number of changes to the VET sector that work towards restoring integrity and quality into the system. Providers understand that it is in their

best interest to adhere to quality standards, but do not want to see excessive red tape because of government addressing the small minority of unscrupulous providers.

21. Industry believes top providers who have a long history, or strong evidence, of outcomes and training quality should be eligible for some concessions that would reduce their red tape and costs.

## Access and Participation

22. It is imperative that VET is accessible for all Queenslanders, not only through government funding for courses, but also in aspects such as location and career cycle.
23. Many regional areas are in need of quality training providers in their regional/remote areas in order to skill the local workforce, but for viability reasons, providers cannot establish themselves in such locations. As such, special funding arrangements could be a valuable lever for regional-based training.
24. Furthermore, there are certain points within a person's career cycle to which the VET system could better play a role in the development of skills. A lot of focus has rightly been put into 'VET in schools' which captures students at a young age who are passionate about industries in which they are endeavouring to enter into.
25. However, there seems to be a gap in two major areas. The first being the 'in-between' period of school and training, whereby the student has not undertaken VET in school or is even aware of VET as a career option. Particularly for disadvantaged youth, social issues are likely to arise during this period, including the abuse of drugs and alcohol, crime and homelessness.
26. Secondly, the transition from one occupation to another, or from one sector to another, can be smoothed by appropriate VET training. As an example, many workers who were made redundant from the downturn in the resources sector are highly-skilled workers, who may require only some training to be sufficiently skilled for another area of work.
27. It is recommended that the government ensure that the dialogue about access and participation is broadened for the benefit of all Queenslanders, no matter age, skill level, location and where they are in their career cycle.

## Further Enquires

28. CCIQ thanks the Department for the opportunity to provide comment and welcome any feedback. Please contact Catherine Pham, Senior Policy Advisor, at [cpham@cciq.com.au](mailto:cpham@cciq.com.au) for matters relating to this submission.