



## ASU Submission

**Department of Education, Skills and Employment**

Improving industry engagement and reforming  
qualifications in Vocational Education and Training

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## 1. The ASU

The Australian Services Union (ASU) is one of Australia's largest unions, representing approximately 135,000 members.

The ASU was created in 1993. It brought together three large unions – the Federated Clerks Union, the Municipal Officers Association and the Municipal Employees Union, as well as a number of smaller organisations representing social welfare workers, information technology workers and transport employees.

Currently ASU members work in a wide variety of industries and occupations because the Union's rules traditionally and primarily cover workers in the following industries and occupations:

- Disability support
- Social and community services
- Local government
- State government
- Transport, including passenger air and rail transport, road, rail and air freight transport
- Clerical and administrative employees in commerce and industry generally
- Call centres
- Electricity generation, transmission and distribution
- Water industry
- Higher education (Queensland and South Australia)
- Australian Taxation Office

The ASU has members in every State and Territory of Australia, as well as in most regional centres.

## 2. Submission questions

Online submission form completed as follows:

### 1. Does the role of industry need to be strengthened or expanded across the VET system? Why/why not?

Vocational Education and Training (VET) can play a significant role in building the vocational skills of the nation. In addition, public funding for the VET system in Australia has played a valuable role in improving social and economic equality.

The ASU believes the role of industry does need to be strengthened or expanded across the VET system as we believe recent policy directions have placed increased emphasis on a market driven approach to the provision of VET services.

Over the years a substantial amount of media attention and research studies have revealed a range of problems including revelations of deteriorating quality standards, aggressive marketing behaviour by some training companies (particularly in vulnerable communities) and practices which have left many students demoralised, in debt and left with inadequately trained or an inability to complete their chosen course work. The unfortunate consequent of poor quality training is that young people are not adequately prepared to enter the job market.

In addition, valued public institutions (such as TAFE colleges) have been starved of funds while new training centres came to life in the environment of competition and inadequate regulation. As a consequence a growing proportion of taxpayers' money, traditionally used for VET services and valued infrastructure, has been diverted to profit-making organisations.

The impact has been far reaching as an array of private for-profit VET providers saturated the market and many developed innovative ways to pervert the goals of VET in order to increase profits. International and academic evidence tells us that VET is going to be critical in ensuring that Australians have the skills they need for jobs of the future, especially in the COVID-19 led economic recovery. Existing workers will need to upskill and reskill to help assist the business they work for to

adapt to the new post-COVID environment. The unemployed are likely to need new skills to assist in finding new jobs.

We believe one way the role of industry can be strengthened is to work toward the abandonment of the contestable funding model which has had a detrimental impact on the quality of education, student support, learning outcomes and government revenue.

## **2. Are you aware of the current industry engagement arrangements that are in place to design and develop VET qualifications i.e. the Australian Industry and Skills Committee and the Industry Reference Committees?**

Yes.

## **3. (If yes to Question 2) How effective are the current industry engagement arrangements in VET in meeting your needs?**

Over the years the ASU has surveyed its members about VET generally. Below are some important observations and comments made by these members that we wish for the Department to take into consideration during this Reform.

### **Deteriorating quality of education and training**

*Young people being signed up to shonky providers with little chance of actually completing their courses.*

*Certain qualifications have lost value due to being offered too frequently, and not delivered in a quality manner. Fees are expensive, particularly for permanent residents, who need to pay upfront and in full.*

*They've made it less practical to get a registered or recognised qualification by privatising students pay more for a course that is not up to standard like a tafe course.*

*Having attended a private college I withdrew feeling like I was not properly trained in the field....The quality is not consistent across course providers, and fees vary greatly.*

### **Increased fees and increased profits**

*The cost means that some young people will be reluctant to take on a debt and will, thus, not enter into VET education. Privatisation of VET means that the standard of some programmes is dodgy.*

*It's too expensive and more about making money than giving young people the skills they need for employment.*

*They don't care about the quality of the course they deliver only what profit they can make sky rocketing numbers of providers ripping young people off.*

### **Students stranded and demoralised**

*There are providers who offered a course in my town, but they did not continue. This left anyone who wanted to complete the course stranded. Education should be a human right, not for generating profit.*

*Shonky providers screwing young people out of huge amounts of money with no, or virtually useless accreditation.*

*I know many people whose courses have been cancelled with very little notice.*

### **Destruction of TAFE is affecting communities**

*The financial cost for young people to study is a barrier. The government has ruined TAFE! It used to be accessible to all. Especially in rural areas and low socio economic areas.*

*Less courses at local TAFEs, less apprenticeships, more expensive, less resources in the classroom etc.*

*Tafe courses are so expensive now and many low income students cannot access courses.*

### **Inadequate and ineffective regulation**

*When I went through TAFE was still an institution that was affordable and accessible. Now there are too many sharks, and not enough oversight in the industry. Quality varies wildly.*

*Far too many cowboys...*

*Privatisation of TAFE has undermined the value of a government regulated training System.*

*Students are getting screwed over.*

## **4. What can be done to drive greater collaboration across industries to broaden career pathways for VET graduates and maximise the workforce available to employers?**

The ASU believes we need to rebuild the VET system so it does what it is supposed to do, which is allow students and workers to get the “critical skills and capabilities they need to enter the workforce, move into higher-skilled, higher-paying jobs, return to the workforce, or transition to a new field of work.” [ACTU]

This can be achieved by allowing for both the VET and TAFE systems to work closely together with all stakeholders, including industry, government, employers and unions to develop and support an innovative and forward-looking sector.

In addition, industry skills councils or equivalent structures are necessary to ensure that quality training products are being developed in a genuine consultative way and that they are fit for purpose and will leave students as highly skilled and highly employable. Over the years many VET and TAFE providers have introduced new requirements, new reporting standards and new teaching methods,

however this has all been done in isolation. It is imperative that Government commits to a national strategy.

The Joyce Review found one of the core issues that government needs to address is that VET students, in comparison to university students, do not have fair and equitable access to public funding and financing. The review also found VET funding has been in decline and is low relative to other education sectors.

The Joyce Review stated that “The new architecture for the skills education system would place industry at the centre of the skills system while promoting close co-operation on funding and quality assurance between the Commonwealth, States and Territories”. The ASU does not disagree with this, however we are concerned that there is no mention of students. This is contrary to the PC who found “Above all, the system’s design should reflect the needs of its customers (students), with regulators and providers adapting to meet that goal.”

It’s paramount that Government increases funding for VET to ensure our economy rebuilds effectively post-pandemic. Funding must be well targeted towards initiatives and programs that specifically assist young people and those who are current unemployed or facing unemployment.

## **5. Are qualifications fit-for-purpose in meeting the needs of industry and learners now and into the future? Why/why not?**

As the Productivity Commission found in its 5-year productivity review the VET sector “has been beset with a raft of problems leading to a sector characterised by rapidly rising student debt, high student non-completion rates, poor labour market outcomes for some students, unscrupulous and fraudulent behaviour on the part of some training providers”.

The Joyce Review also found funding system inconsistencies as creating unnecessary complexity and inequity. An example given was “the Diploma of Nursing, with subsidies of \$19,963 in Western Australia, \$16,388 in Victoria, \$10,250 in New South Wales, \$8,990 in the Australian Capital Territory and \$8,218 in Queensland – a difference of \$11,745 between Western Australia and Queensland”.

It is not too much of a stretch to conclude that current VET qualifications are not fit-for-purpose and do not meet the needs of learners now.

The post COVID-19 economic recovery will see a growing need for higher level skills and different skills and this can only be achieved through quality VET and TAFE providers that allow for students to make an informed choice by being able to compare training options and to easily identify registered training organisations that have been endorsed as a quality provider.

The ASU believes by investing in TAFE first and foremost the skills that Australia needs will be delivered. TAFE is the number one respected and quality provider of vocational education and has the established infrastructure, workforce, community and industry links to put additional funding to best use and to ensure appropriate and high-quality qualifications will be delivered to students.

A strong fully funded TAFE sector that is accessible to all, must be at the centre of the Government’s Reform.

## **6. Are there any further issues in relation to improving industry engagement in the VET sector that you would like to provide feedback on?**

Based on information contained in this submission, the ASU proposes that the government’s attention be drawn to the following recommendations:

1. Improve governance and apply more stringent scrutiny, auditing and compliance measures for the private providers in the VET system, particularly if they receive public funds.
2. Work toward the abandonment of the contestable funding model which has had a detrimental impact on the quality of education, student support, learning outcomes and government revenue.
3. In the VET sector, TAFE should have adequate funding returned and be restored as the primary provider of vocational education and training across Australia.
4. Create incentives for industries to take on apprentices and trainees with adequate mentoring in the workplace while also ensuring they receive a liveable wage.
5. Provide additional support for young people at risk who face additional labour market disadvantage.
6. Provision of good quality career advice and counselling for students which is appropriate for our culturally diverse community.
7. Make career information more accessible to young people.
8. Broaden the range of industries providing work experience for young people.
9. Do not adopt policies which encourage the underpayment and exploitation of young people (for example the Federal Government's Youth Jobs Path program).
10. Redesign the arrangements relating to job search and placement organisations to ensure services are appropriate for our diverse society and that they achieve positive outcomes.