

1 May 2014



Mr Tom Alegounarias  
President, Board of Studies, Teaching and Educational Standards NSW  
117 Clarence Street  
Sydney NSW 2000

*By email: catherine.tucker@bos.nsw.edu.au*

Dear Mr Alegounarias,

***Review of current HSC VET work placement arrangements in NSW***

Thank you for inviting NSW Business Chamber (the Chamber) to provide comment on HSC VET work placement arrangements. The Chamber welcomes the opportunity to contribute to the Board of Studies, Teaching and Educational Standards (BOSTES) review of current work placement arrangements.

As you may be aware, the Chamber is one of Australia's largest business support groups, with a direct membership of more than 16,000 businesses, providing services to over 30,000 businesses each year. Tracing its heritage back to the Sydney Chamber of Commerce established in 1825, the Chamber works with thousands of businesses ranging in size from owner operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises.

The Chamber is a leading business solutions provider and advocacy group with strengths in workplace management, occupational health and safety, industrial relations, human resources, international trade and business performance consulting.

Operating throughout a network of offices in metropolitan and regional NSW, the Chamber represents the needs of business at a local, regional, State and Federal level, advocating on behalf of its members to create a better environment for industry.

In recent years, the Chamber has driven significant public policy debates in NSW. Our goal in doing so is to help create an economic environment that is supportive of productivity, economic development, investment and jobs.

NSW needs a skilled, flexible and motivated workforce that helps increase productivity and drives economic development. Ensuring that the available workforce has the skills and knowledge required to meet the needs of industry and employers is absolutely vital for the future prosperity of NSW.

The Chamber believes that addressing high levels of youth unemployment through more effective school to work transitional arrangements, increasing employment participation and driving productivity growth need to be a central focus of the NSW Government and the community, including business.

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Employers expect better outcomes and continually look for products tailored to their needs. Knowledge-based industries continue to grow which is placing greater emphasis on the importance of higher education and the acquisition of higher level skills.

1. How effective has the mandatory HSC work placement requirement for VET courses been in delivering curriculum outcomes and meeting industry expectations?

The Chamber has recently highlighted concerns about the delivery of VET in Schools in its pre 2015 election policy blueprint, *Unfinished Business – Towards 2015 and beyond*.<sup>1</sup> This renews the Chamber's call for a review of senior secondary schooling in NSW, including VET in Schools and school based apprenticeships, as outlined in our 2011 report *Could do Better – a blueprint for a review of post-Year 10 education and training in NSW*.<sup>2</sup> In addition, the Chamber has worked closely with the Australian Chamber of Commerce and Industry to produce the *Learning to Work* report, highlighting key measures to improve employment outcomes for young people.<sup>3</sup> The business community sees significant value in VET in Schools for students but arrangements need to be improved to ensure benefits are fully realised.

Students enrolling in VET in Schools courses are disproportionately from low SES backgrounds. These students face multiple barriers to successful educational attainment and find the transition to the workforce difficult. This emphasises the importance of improving VET in Schools delivery and the benefits that these students can gain from access to industry, through quality work placements.

The Chamber believes that the current mandatory work placement arrangements for students undertaking VET in Schools as part of their HSC is a key strength of the system in NSW. The benefits of quality workplace learning arrangements in improving post school outcomes for young people are well established. Research shows that in addition to building self-confidence in young people, work placements can promote pathways to employment and further study, improve work readiness, have a positive effect on school completion, broaden awareness of occupational options, enhance networks, assist rural youth employment outcomes, and provide opportunities for career guidance through exposure to workers in industry.<sup>4</sup>

Work Placement Service Providers have been effective in assisting and supporting industry to ensure employer requirements are met during the mandatory work placement process. Many Work Placement Service Providers appear to have a good knowledge of the industry and the education sector. The outsourced and localised nature of contracted work placement services is another strength of the current system.

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<sup>1</sup> NSW Business Chamber (2014). *Unfinished Business – Towards 2015 and beyond*.

<sup>2</sup> NSW Business Chamber (2011). *Could do better – a blueprint for a review of post-Year 10 education and training in NSW*. 10 Big Ideas to Grow NSW.

<sup>3</sup> Australian Chamber of Commerce and Industry (2014). *Learning to work – a helping hand for young Australians*.

<sup>4</sup> Clarke, K. & Volkoff, V. (2012). *Entry to vocations: current policy trends, barriers and facilitators of quality in VET in Schools*. National Vocational Education and Training Research Program. University of Melbourne.

Having external contracted providers coordinating work placements with employers ensures that employers are not overwhelmed by requests from individual students or schools. Providers can also assist employers in ensuring the quality and structure of work placements benefit students. Having a clear point of contact facilitates good levels of employer engagement. The Chamber understands that some 20,000 business provide approximately 50,000 work placements each year in NSW.

While mandatory work placements are supported by industry, more needs to be done to ensure the duration, quality and structure of work placements are appropriate and support pathways to higher level VET, including full-time apprenticeships. This should be a core consideration of the current review of work placement arrangements.

Recent research by the University of Melbourne suggests there is a need for a more coordinated and systematic approach to workplace learning in VET in Schools programs – moving beyond work placements to a systemic workplace learning approach. According to this research, in NSW *“a lack of ‘genuine work experience and knowledge of the industry’ is seen as contributing to a lack of trust from employers and is also considered to be a key barrier to effective transition to the employment of VET in Schools students.”*<sup>5</sup>

The Chamber recognises the importance of the mandatory HSC work placement requirement for VET courses as a means of addressing these industry concerns about VET in Schools provision and acknowledges some of the improvements that have been implemented by BOSTE in recent years. Strengthening school-industry partnerships more broadly and ensuring that VET in Schools is more closely aligned to tertiary level VET courses, and national training packages, will also go some way towards addressing industry concerns.

2. What does industry feedback tell us about the value of work placement for students undertaking VET courses as part of their HSC? Is the feedback uniform across industry areas or does it vary?

Feedback from employers regarding the current work placement arrangements is generally positive but appears to vary by industry. It should be noted that the Chamber receives anecdotal reports and does not have access to robust data relating to employers experiences with work placements. As part of this review the Chamber assumes BOSTES will be collecting data from a sample of the 20,000 employers currently participating in work placement activities. Anecdotal reports from industry associations will be of limited value without more comprehensive analysis of the experiences of participating businesses.

The Chamber has received feedback that some HSC VET courses are not meeting industry expectations. For example, members have reported that IT curriculum is not meeting modern work practice. In addition, there may be some courses where work placement may not be effective (such as a Certificate II in Fashion), but there are very few courses that wouldn't benefit from work placement. On-the-job training and experiential learning are central to the effectiveness of any VET course.

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<sup>5</sup> Clarke, K. (2012). *Entry to vocations: the efficacy of VET in schools*. National Vocational Education and Training Research Program Research Report. University of Melbourne.

The Chamber recognises that some students are directly offered employment and apprenticeship opportunities as a result of mandatory work placements. While this is not the primary purpose of work placements it is a positive outcome and clearly demonstrates that industry sees value in mandatory work placement arrangements.

Mandatory work placement allows students to make more informed career decisions, as they gain a better understanding of industry practice and a taste of what it is like in a workplace. Industry feedback to students following work placements is a valuable source of information for each student and can assist them when thinking about future career options. This feedback can highlight key strengths and areas for improvement. Resilience is an important attribute for all young people, particularly during the often challenging transition to work and higher level education and training. Quality work placement provision coupled with constructive feedback from the host employer can help build resilience and confidence in young people.

The Chamber considers work placement an important means for young people to build an understanding of workplace requirements, and develop important employability skills such as reliability, punctuality, team work, communication, confidentiality, time management, workplace expectations, work ethic, behaviour and attitude.

### 3. What impact has the significant growth in student enrolments in VET courses over the last 10 years had on the provision of work placements?

The Chamber notes that the number of enrolments in VET in Schools courses by government schools students under 17 years increased from 21,659 in 2008 to 28,887 in 2012.<sup>6</sup> With the introduction of the New School Leaving age in 2010, many more students were enrolled in VET courses which impacted on number of host placements available. Demand for placements far exceeded supply of available employers in some areas, which resulted in Work Placement Service Providers creating alternate simulated opportunities. The effectiveness of these simulated resources will need to be monitored.

In 2012, the NSW Auditor General raised concerns about existing school arrangements and their capacity to meet the needs of students looking to undertake VET. The Auditor General identified that there is evidence the new school leaving age requiring students to remain at school until 17 years of age leads to a greater proportion of students who are disengaged.<sup>7</sup> Although school retention and Year 12 completion rates are important, it's clear that more needs to be done to engage those students who are not focused on a university pathway. Further pressure is being placed on the VET in Schools system to deliver engaging and quality opportunities for growing numbers of students who may not be interested in a traditional academic pathway. The growth in enrolments is placing pressure on Work Placement Service Providers to secure more host employers.

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<sup>6</sup> Board of Studies NSW 2012

<sup>7</sup> Audit Office of New South Wales (2012). *The impact of the raised school leaving age*. New South Wales Auditor-General's Report. Department of education and Communities.

The Chamber understands that Work Placement Service Providers have increased employer recruitment activities to meet growing student demand. In rural and remote areas, this has not been an easy task, with a finite number of opportunities available. In many cases this has required a flexible approach from schools, students and employers. For example, rural, regional and remote employers have been asked to increase the number of students they host in a year to compensate for increased numbers. This may not be a sustainable solution in the long term and risks “employer burnout”. In addition, many students in regional areas have been required to complete work placements outside their home town, which imposes additional costs to parents and impacts on the ability of students to complete courses. A number of Work Placement Service Providers are members of the Chamber and work closely with our regional offices to engage with more local employers.

Ensuring that students undertake some form of preparation prior to their work placement is particularly important, both for the student and host employer. Better preparation is likely to lead to a more positive work placement experience and increase the chances of future employer participation. The Chamber welcomes the recent introduction of the go2workplacement online resource.

As noted above, the Chamber recognises that there can be practical difficulties ensuring there are enough work placement opportunities for students. More employers should be encouraged to provide structured workplace learning opportunities and the Chamber has a role in promoting participation more widely to its members across NSW.

The quality and duration of work placements is enormously important. Employers, particularly SMEs, should be supported to provide quality structured learning experiences for students. Many Work Placement Service Providers provide assistance to host employers and the Department’s workplace learning guidelines for employers is a useful tool.

#### 4. Do the current mandatory requirements for work placement need to be reconsidered to ensure they remain relevant?

The Chamber recognises the need for regular reviews of Industry Curriculum Framework courses to ensure they align with contemporary industry practice, skill shortages areas and emerging industry needs. For example, Entertainment is a framework course, with no supporting evidence of skill shortage. Whether such courses should be made available as an option for students is debatable. Childcare is a nationally recognised skill shortage area with an identified tertiary pathway, with currently no mandatory work placement requirement at Cert II level.

Information Technology is a challenging work placement area, particularly in regional and remote areas. A number of employers have voiced concern about the relevance, content and currency of the course and are concerned that it is not meeting industry entry level requirements.

As previously mentioned, the Chamber strongly supports mandatory work placement, however we acknowledge that growing enrolments and increasing pressures on Work Placement Service Providers to engage new host employers creates practical difficulties and may undermine the mandatory requirement being

met in all cases. For example, in Wagga Wagga, a city of 60,000 people, there are only 8 available and willing IT employers to provide placement for 94 students.

Where the mandatory work placement cannot be reasonably met, some degree of flexibility may be required to ensure that Work Placement Service Providers can implement alternative arrangements. It is important that alternative experiential learning options are recognised and valued by industry. Close consultation with local industry will ensure that new and innovative arrangements to deliver experiential learning and employability skills programs will have relevance.

The relevance of structured workplace learning is increasingly being recognised in the higher education sector. Universities have been realising the benefits of Work Integrated Learning as a structured component of courses in recent years. The development of employability skills is important for university students also, and universities are allocating resources to ensure that many students gain some experience in the workplace prior to graduation. The growth of Work Integrated Learning opportunities through universities presents an additional challenge for HSC Work Placement Service Providers - namely the competition for host employers. More and more employers are being approached by universities to host students as part of their Work Integrated Learning programs.

More needs to be done to recognise those employers that provide work placements for students. This could be in the form of awards or 'employer of choice' type recognition. There could be a role for local chambers of commerce in this recognition process.

5. Are there more innovative ways to meet work placement requirements across different industry areas which would ensure students have the opportunity for quality workplace learning?

The Chamber recognises that many Work Placement Service Providers have been exploring more innovative ways to deliver work placement requirements. The Chamber welcomes the exploration of innovative solutions. As previously mentioned, it will be critically important to ensure that alternative arrangements are validated by industry and developed in conjunction with employers and employer representative groups.

The Chamber has recently partnered with Beacon Foundation in order to build strong relationships between local businesses and low socioeconomic schools in South West Sydney. The Beacon Foundation model of business breakfasts to build initial connections between schools and local businesses has merit. Local chambers can play a role in engaging their members and creating linkages with schools. Following business breakfast events at the start of each year, students participate in a Charter Signing Ceremony – where every student in the year group signs a charter, making a commitment to a positive future of employment and/or further education. The students' teachers, mentors, family and participating employers also pledge a commitment to help.

The Beacon model includes a range of structured activities in which employers can participate, including mock interviews, business tours, business mentoring, work placement, one day programs with employers, and speed careering.



Beacon also promotes the creation of local Community Committees that bring together schools, business representatives, training providers and other partners to ensure the ongoing development and strengthening of school-business partnership initiatives.

According to the Beacon Foundation's Planning and Review Workbook 2012:

- 98.8% of Beacon students were fully engaged in work, education or training 6 months post year 10, 4% higher than the national average.
- Beacon students are over four times less likely to be disengaged from full time education, training or employment after year 10 than the national average for 16 year olds.
- At 0.3%, the unemployment rate for Beacon students post year 10 is five times lower than the national unemployment rate for 16 year olds.
- Beacon schools report above average grade progression from year 10 to 11. 94% of Beacon students were still in education six months post year 10.<sup>8</sup>

In some cases, where fulfilling work placement requirements is difficult, a range of Beacon type activities for students could be recognised as part of meeting work placement requirements. However, more would need to be done to ensure that these activities relate to what students are studying as part of their VET in Schools program.

6. Are the current funding arrangements for work placement coordination (for Framework courses) cost effective and efficient?

The Chamber believes that funding for external contracted work placement coordination is a sensible use of public funds and represents an important investment in the future prospects of young people, particularly for those from disadvantaged backgrounds. Coupled with improvements to current VET in Schools delivery, current funding for work placement coordination will be an important measure required to improve future employment and higher level training outcomes for young people, who face structural barriers in gaining access to the labour market.

The Chamber is aware that work placement arrangements in NSW have been funded through commonwealth national partnership reward funding. The future of funding for work placement arrangements in NSW is uncertain. The Chamber has encouraged the federal government to support the state government in the future delivery of work placement arrangements as a critical component of VET in Schools.

There have been suggestions that financial incentives for employers would boost work placement opportunities. This would require careful consideration and the cost to government would need to be explored. Financial incentives also have the potential to undermine the provision of quality structured workplace arrangements; therefore cautious management of such a system would be required.

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<sup>8</sup> Beacon Foundation (2012). *ABC High School Planning and review workbook 2012*.

7. What efficiencies might be found to ensure a high standard, manageable, cost effective approach to facilitate work placement for the next decade?

As noted above, the strengthening and expansion of local school-industry partnerships will create efficiencies and innovative approaches to delivering work placements arrangements. Employers that currently host students make a significant in kind contribution through supervision and preparation for effective delivery of structured work placement arrangements. Future government analysis of costs associated with the current work placement coordination should recognise the significant employer co-contribution to delivering successful work placements.

Further efficiencies can be delivered through better career information, advice and guidance. Better informed students are better able to select the VET in Schools course that best meets their needs. It is critically important that students are provided with robust industry careers advice to ensure they are able to make informed decisions, which will maximise their chances of securing meaningful employment following post-school training. Secondary school students are provided copious advice on university pathways relative to advice on vocational pathways, providing an unbalanced view of post-school opportunities.<sup>9</sup> Advice focusing on university pathways is important but will be of limited benefit to many VET in Schools students.

Given that many Work Placement Service Providers are investigating different approaches to work placement delivery, there will need to be opportunities for sharing lessons across the network of providers. Best practice approaches should be acknowledged and encouraged.

The go2workplacement resource is a welcome addition, but the Chamber has received feedback that more stringent measures are required to assess work readiness of students commencing work placement.

In addition, the Chamber has received feedback that a more streamlined system and clear documentation across the state to support a smooth and trouble free experience for all key stakeholders is needed. In the Riverina region providers have developed a Memorandum of Understanding which clearly outlines roles and responsibilities for each sector and stakeholder involved and each stage of the work placement process including timelines.

Yours sincerely,



**Paul Orton**  
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NSW Business Chamber

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<sup>9</sup> Clarke, K. (2012). *Entry to vocations: the efficacy of VET in schools*. National Vocational Education and Training Research Program Research Report. University of Melbourne.