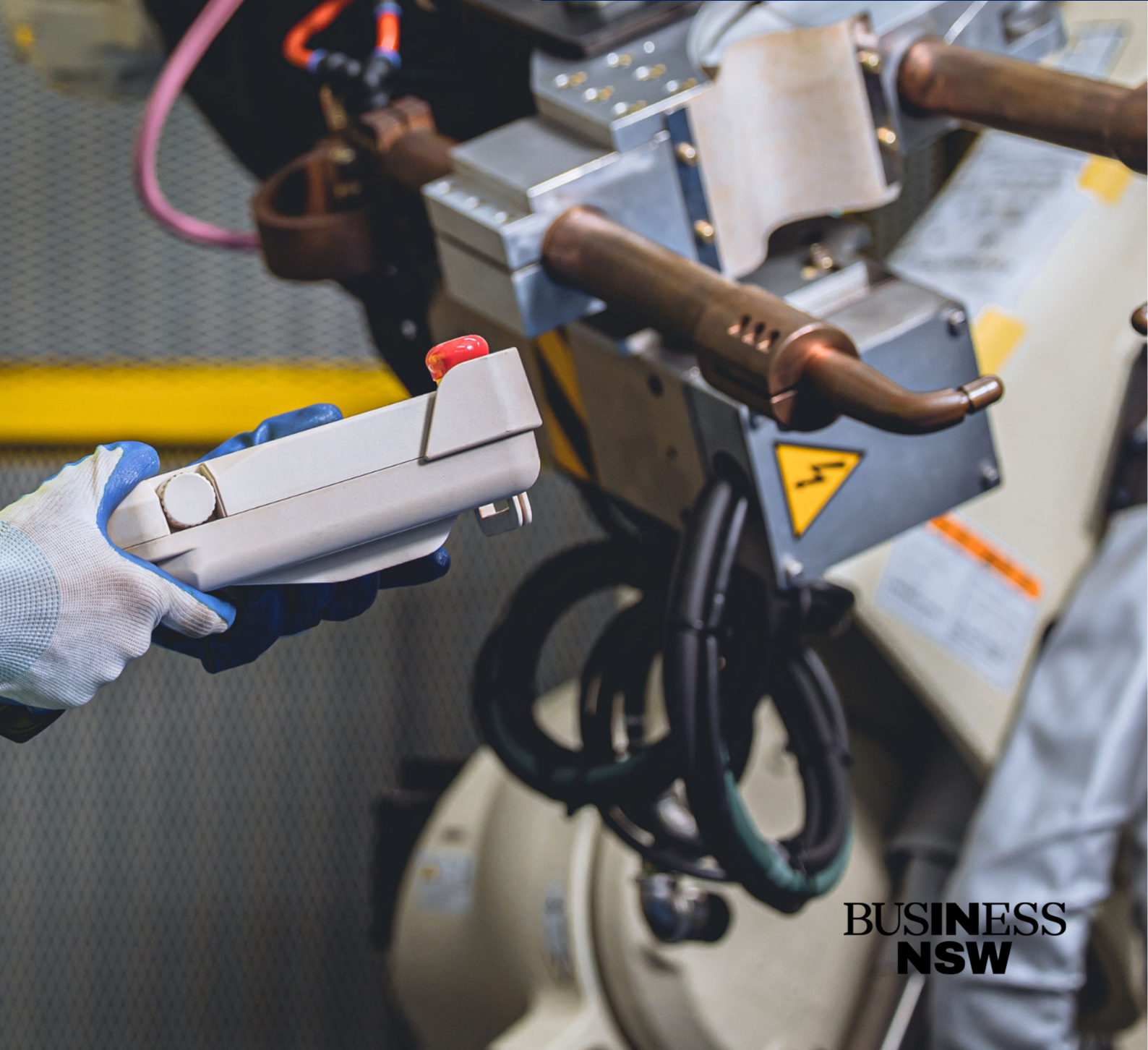




# Submission to the NSW VET Review

November 2023



**BUSINESS  
NSW**

November 2023

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## Executive Summary

Business NSW welcomes the opportunity to provide a submission to the *NSW Vocational Education and Training (VET) Review*. The Review presents a valuable opportunity to consider how we can best support participation and success in vocational education and training in New South Wales. Business NSW is the state's peak business organisation, with close to 50,000 member businesses. Tracing our heritage back to the Sydney Chamber of Commerce established in 1825, we work with businesses spanning all industry sectors, the majority of which are small or medium enterprises. Business NSW advocates for the interests and needs of business at a local, state and federal level.

Business NSW recognises the critical role of education and training in ensuring businesses have the workers they need now and into the future. We also recognise the contribution that education and training makes for individuals, organisations and communities. NSW is the engine room of the national economy, accounting for one third of all economic activity in Australia. The NSW economy is also Australia's most diverse. Vocational education and training is central to the development of economic and social capital in NSW. It serves a vital role in broadening and sustaining workforce participation, and the capabilities required to meet current and future industry needs, both locally and nationally. Our submission considers the vital role of TAFE as we look ahead and see new and emerging industries, evolving skills needs and enormous opportunities for skilled workers in the coming years. TAFE, RTOs, universities and community-based providers need to work together in responding to local, state and national skills needs. A health tertiary education system should support multiple pathways for diversity of participation in the broadest possible sense. We should also celebrate and support those willing to share their knowledge, skills and experience; be that in the workplace, or in the classroom.

TAFE can and should be the pre-eminent provider of vocational education. TAFE serves as the connective tissue for coordinating initiatives by government, industry, unions, schools, community organisations and tertiary education more broadly. TAFE has a vital role to play in supporting a balanced mix of tertiary training pathways. TAFE must ensure access to the physical and digital infrastructure required in keeping pace with evolving skills needs. TAFE must embrace the opportunities available through continued innovation in learning design. TAFE should be highly visible as the benchmark provider of skills, education and training in NSW.

The discussion paper released as part of this review identified a wide range of issues worthy of consideration. The purposes identified for this review include addressing equity of participation, restoring confidence in our vocational education and training system, rebuilding and strengthening TAFE, and addressing the current and future skills needs of NSW. These issues touch on enduring matters of concern. They join new and emerging challenges in meeting workforce needs, including new forms of learning through online certificates and micro-credentials, and the intersection of skills needs with major economic developments, both now and into the future.

Achieving the aims outlined in the discussion paper will require flexibility in the ways we define, deliver and assure vocational education and training. We must tear down barriers and remove administrative hurdles between skilled instructors and dedicated learners. This is all possible. It is certainly all necessary. It may take a village to train a skilled apprentice, but it takes TAFE to help build that village. This review presents a once-in-a-generation opportunity to restore confidence in TAFE and to rebuild the esteem of skilled trades as the cornerstone of Australian industry, and the foundation of our communities.

We welcome the opportunity to contribute to this important review. Responding to the challenges outlined above will require foresight, strategic investment and constructive collaboration. We look forward to working with stakeholders in government and across the vocational education and training sector in realising the goals outlined in the discussion paper, and working toward a skills and training system that is truly world class.

A handwritten signature in grey ink, appearing to read 'Daniel Hunter', with a stylized flourish at the end.

Daniel Hunter

CEO, Business NSW

## Summary of Recommendations

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| <b>Recommendation 9:</b>  | Providers and government should work in partnership with industry on improving transport and accommodation facilities for students in regional areas attending TAFE.   | 11 |
| <b>Recommendation 10:</b> | TAFE and other VET providers should investigate ways of encouraging, recognising and rewarding the contribution of experienced and successful educators and industry experts in vocational education and training, in partnership with the NSW State Government. | 11 |
| <b>Recommendation 11:</b> | Align priorities for VET in schools with guidance on growth occupations and skills shortages provided by Jobs and Skills Australia.  | 14 |
| <b>Recommendation 12:</b> | Schools and providers should work in partnership with government and industry in identifying and removing administrative hurdles for on-boarding trainees.   | 14 |
| <b>Recommendation 13:</b> | Improve coordination between Jobs and Skills Australia and the careers advice provided in schools.   | 14 |

**Recommendation 14:** Jobs and Skills Councils should continue exploring ways of improving both policy and practice in the recognition of prior learning. 15

**Recommendation 15:** Providers and government should work with industry to support the participation of small and medium sized businesses in the development and delivery of vocational education and training in NSW. 16



## Meeting skills needs

- 15 *What do you see as the optimal balance between TAFE NSW and non-TAFE Vocational Education and Training (VET) providers in meeting the skills needs of NSW?*
- 16 *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?*
- 17 *What kind of partnerships between different Vocational Education and Training (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?*
- 24 *How can the NSW Vocational Education and Training (VET) system adapt to meet current and future skills needs in NSW, to address structural and cyclical shortages, and needs for essential occupations?*
- 27 *How should the NSW Vocational Education and Training (VET) system position itself to effectively respond to current and future economic, social and environmental challenges?*
- 33 *How can the NSW government improve confidence in Vocational Education and Training (VET) among students, industry, and the community as a whole?*

Positioning the NSW VET system for success requires foresight in adapting to technological, environmental, and social challenges. It means training for current and future infrastructure needs. It requires embracing delivery models that meet the needs of contemporary life-long learners. This may mean adapting delivery modes, embracing digital platforms and modular learning design. It will require achieving the right balance in the development and delivery of programs using simulated learning environments, quality facilities, work integrated learning and curricula that are coherent, relevant and robust. Sustained success in doing so will require regular review, ongoing assurance and quality stakeholder engagement.

In our recent report *Down to the Wire*, Business NSW explored the infrastructure pipeline in the Riverina Murray region of southern NSW as a case study for the rest of NSW. During consultation for that report, we heard from many businesses in the region already struggling to fill vacancies and find suitably qualified workers, with many concerned that these shortages would be exacerbated as competition for available skills increases as major infrastructure projects progress. In that report, Business NSW identified an energy and transport infrastructure pipeline of more than \$20 billion allocated to projects that are funded or underway, with more planned. Six of those projects (Snowy 2.0, Inland Rail, Project Energy Connect, Snowy 2.0 Connect, VNI West and Hume Link) are estimated to be collectively worth over \$14 billion and are likely to face further cost increases over the coming years as inflationary pressures pile up. The Industry Capability Network estimates these six projects alone will require more than 5,000 workers during their construction phases.

Workforce shortages exist in many occupations, across most industry sectors, in every region of NSW. The Business NSW 2022 *Workforce Skills Survey* found that 9 out of 10 of businesses were experiencing difficulty in recruiting the workers they needed. Employers face several challenges in ensuring they are able to recruit the skilled workers they need in order to thrive

in a competitive economy. The first of these is a function of supply and demand. There are simply not enough workers with the skills, qualifications and experience required for the roles they need to recruit. In-house training can only go so far in bridging this gap. There is high demand for qualified roles requiring industry certification – certification that employers themselves are unable to provide. There is also a broader need to restore confidence in the quality and relevance of NSW's vocational education and training system. Overall satisfaction among employers in NSW who use vocational qualifications as a job requirement has seen a gradual decline over a ten-year period from 79.2 per cent in 2013 to 74.6 per cent in 2023. Satisfaction among employers with apprentices has similarly declined over the same period, from 77.2 per cent to 74.3 per cent.

The second challenge faced by employers is that of skills relevance. This is a particular problem for employers in regional NSW. This challenge has two components: firstly, the scope of vocational education and training programs on offer outside of major metropolitan centres, and secondly; the ability of those programs to deliver foundational skills relevant to particular fields, while also preparing students for current and future industry skills needs. There are specific concerns regarding the availability of training opportunities for regional students. On the Mid North Coast, for example, there are only 7 courses in manufacturing and construction available in the region, compared with over 70 relevant courses available to students in the greater Sydney metropolitan area. In some cases the lack of availability for relevant programs can be ameliorated through continued innovation in online delivery. However, infrastructure requirements and the enduring value of face-to-face instruction mean that substantial scope for improvement remains when it comes to the availability and relevance of vocational education and training in regional NSW.

The VET sector has seen a protracted decline in funding over the last 10 years. Funding has not kept pace with population growth, growth in salaries of the VET workforce, VET infrastructure investment, nor growth in government funding for other education sectors over that same period. Funding for VET nationally in 2021 was lower in real terms than in 2013. According to the latest *Report on Government Services*, total recurrent government expenditure on vocational education and training was \$7,062 million in 2021 compared to \$8,155 million in 2013. Total recurrent government expenditure in NSW however saw \$2,416 million in 2021, compared to \$2,357 million in 2013. This amount, while substantial, is nowhere near the required amount. Responding to the challenges identified in the discussion paper and in this submission requires planning, foresight and improvements in quality. It also requires strategic investment on the part of both state and federal governments. A continued decline in funding will result in shortages of skilled labour and skills gaps that will impede long-term economic growth. If demand for skilled labour is to be met, and constraints on economic growth avoided, the number of graduates in tertiary education needs to increase by 3 per cent per annum. The growth in investment required will be substantial. Projections point to the need for an additional \$310 million per annum accumulating, from \$8,286 million in 2008 and rising to an estimated \$12,000 million in 2020. This is an average increase in funding of just on 3 per cent per annum over the period.

The *National Skills Agreement* promises to streamline and clarify funding mechanisms between the Commonwealth and states, while supporting an increase in funding tied to student and job outcomes. The agreement also signals improvements in the timeframes required in the development and renewal of qualifications, more streamlined regulatory provisions, and improvements in the way the sector is promoted. Business NSW supports a vocational education and training system that works well overall: one that is both economical and effective. This will likely involve a diversity of providers, including TAFEs, schools, RTOs and universities. These are joined by an increasingly diverse range of private, non-accredited, workplace-specific and community-based providers dedicated to the development of skills, education and training. An effective VET system is one where we are able to achieve the right balance between flexibility, innovation, safeguards for quality and the overall integrity of the state's skills, education and training system. We should aspire to an education and training system in NSW that is truly world class.

**Recommendation 1:** The NSW State Government should ensure appropriate vocational education and training opportunities are available across the state.

**Recommendation 2:** The NSW State and Federal Governments should commit to real terms funding growth for the VET sector over at least the life of the new National Skills Agreement.

## Qualifications and skills

29 *How might delivery modes and Vocational Education and Training (VET) offerings be adapted to support skills needs and meet the evolving expectations of students and government?*

30 *What role should smaller units of learning play, including both accredited and non-accredited qualifications?*

Business NSW frequently hears of employer concern regarding the relevance of the standard curriculum for vocational education and training, the availability of relevant programs, and the ability of the vocational education and training sector to keep pace with industry developments. These concerns extend across all industry sectors. Other concerns include a lack of connection between training providers and employers, and a lack of flexibility in adapting to evolving skills needs.

Training packages support important pathways to learning. They are informed by industry expertise and establish base-line expectations for the capabilities required for skilled workers in a variety of fields. However, the ongoing development and renewal of training packages remains a significant challenge for the VET system. Previous submissions on this topic have noted that it can take up to two years for updates to training packages to be reviewed and implemented. The substantial lead-time and delays involved in developing and renewing

training packages remain an enduring frustration for all stakeholders involved, and substantially impair the overall responsiveness of the education and training system.

Business NSW supports the introduction of streamlined processes whereby industry has a lead role in the development of training, in partnership with the newly established Jobs and Skills Councils. These new organisations should prioritise the development of new qualifications where there are none, particularly in areas where skilled workers are in high demand. To improve speed to market, the scope of *minor amendments* for training packages should be broadened to allow changes to take place at the JSC level, subject to an agreed process of industry consultation. Minor amendments can then be recommended for implementation as appropriate. Improvements of this kind can be facilitated by a more modular approach to curriculum development and learning design. Here the development, review and renewal of training packages could be streamlined through consideration of their component parts. This way, rapid industry change can be reflected in training delivery without forcing major and frequent change on every provider. This approach would mitigate the need to have entire training packages reviewed and updated every 18 months; a time-consuming process with major implications for the cost of training delivery.

There is also a broader trend emerging across tertiary education towards smaller units of learning and more modular learning design. This trend is evident in the rising popularity of short, non-accredited learning opportunities and micro-credentials. This trend is also reflected in the design and development of certificate level programs, many of which are now offered partly or wholly online. These learning opportunities come in a variety of forms, and are offered by a diversity of providers. Business NSW considers this diversity to be a strength. Enabling and recognising the diversity of learning opportunities on offer allows scope for innovation in curriculum development and learning design. It also allows scope for providers to keep pace with rapidly evolving skills needs. Ultimately, achieving the right balance between scope for flexibility and the assurance of quality provides for an education and training system that is responsive, resilient and robust.

All programs and providers must demonstrate fitness for purpose. They must deliver value for both employers and students. There is unlikely to be a single right answer to questions as to how this ought to be done. Quality in a flexible and diverse education and training sector must be supported by standards that are reasonable, relevant, and reliable. Business NSW believes these standards should reflect a *reasonable minimum* when it comes to judgments about fitness for purpose and program quality. Providers of vocational education and training should be free to innovate where they can reliably demonstrate the attainment of minimum standards. Our members have been concerned for some time that the current vocational education and training system gives undue emphasis to conformance and compliance at the expense of responsiveness, innovation, access and, ultimately, quality. Addressing these concerns in a comprehensive manner may require rethinking how training is developed, delivered and assured from the ground up. This task may fall outside the remit of this review, but these are issues that Business NSW is keen to promote for the sake of ongoing improvements to our vocational education and training sector.

**Recommendation 3:** Providers should work toward a more modular approach to curriculum development and course design, in consultation with industry.

**Recommendation 4:** Jobs and Skills Councils should ensure they have clear touch-points with both providers and industry on the development and review of training packages.

**Recommendation 5:** Minor amendments to training packages should take place at the Jobs and Skills Council level, subject to an agreed process of industry consultation.

### Restoring the status of VET and TAFE

- 12 *What role should TAFE NSW play in a thriving NSW Vocational Education and Training (VET) system?*
- 13 *How should the role of TAFE NSW be defined and communicated to promote its long-term success?*
- 14 *What needs to be done to position TAFE NSW at the heart of the NSW Vocational Education and Training (VET) system?*
- 20 *What are the key challenges and opportunities in allocating capital investment to ensure that facilities, including physical and digital infrastructure, are fit for purpose?*
- 31 *What factors make the NSW Vocational Education and Training (VET) sector an attractive career opportunity, and how can existing strengths in workforce retention and recruitment be further developed?*
- 32 *What are the central barriers and opportunities for the NSW Vocational Education and Training (VET) system attracting the teachers and assessors necessary to provide Vocational Education and Training (VET) going into the future?*

Business NSW has an ongoing commitment to a world-class vocational education and training system for NSW. TAFE has a particularly valuable role to play in that system. Ten years ago, the then NSW Business Chamber contributed to the *Let's talk about TAFE* consultation paper. Enduring areas of concern among our members at that time included:

- The foundational skills embedded in vocational education and training programs;
- The alignment between course provision and local skills needs;
- Ensuring the infrastructure available to students to support their learning is of an appropriate standard;
- Quality of instruction and efforts to recruit, support and reward excellence in vocational education and training;
- The accessibility of vocational education and training programs across various

modes of delivery for both urban and regional students;

- The quality of information and advice available to current and prospective students; and
- Engagement between providers of vocational education and training and industry.

Once the central pillar of the trades and applied professions, TAFE is losing its status as the benchmark provider in vocational education and training. The loss of capacity and erosion of esteem that TAFEs have suffered points to a substantial and protracted policy failure: one that has been shared by successive governments in the state of New South Wales. This review provides an opportunity to address this failure, and restore the status of vocational education in general, and of TAFE in particular.

Opportunities for placing TAFE at the heart of vocation education and training in NSW include ensuring appropriate infrastructure for learning, restoring the status of TAFE and a benchmark provider and ensuring the curriculum delivered across the system demonstrates fitness for purpose. In restoring the public's confidence in the VET system, and strengthening TAFE's role in serving our community, TAFE needs to be the first choice for students. It must play the leading role in responding to skills needs across the state. Meeting the aims for TAFE outlined in the discussion paper for this review will require careful planning and foresight. It will require substantial investment in both physical and human capital. It will also require achieving the right balance between flexibility, innovation, agility and the assurance of quality.

Appropriate learning infrastructure is essential in the development of industry-relevant skills. This is especially the case in fields of education that are relatively more infrastructure intensive. Challenges in capital investment include outdated infrastructure and adapting to technological advancements. These challenges extend to the digital domain, where apprentices and students seek quality online learning opportunities, and reliable means for informing, planning and managing their learning. Qualified and experienced instructors are also central to a quality learning experience. They are also vital for ensuring the reputation and integrity of TAFE as a provider of vocational education and training. TAFE faces a particular challenge in ensuring instruction that delivers the right mix of skills. They are called upon to deliver learning that is fundamental, generalisable and industry relevant. Meeting these aims requires a unique blend of skills for talented and experienced instructors. These are professional skills. Improving the way excellence in TAFE education is recognised and rewarded stands out as one way of enhancing the esteem of TAFE as quality institution of practical learning.

Defining and clearly communicating the role of TAFE NSW within the broader tertiary education system will be an important part of ensuring its long-term success. The unique value that TAFE provides, including their commitment to innovation and responsiveness to industry demands, deserves far greater recognition. Feedback from our members suggests a clear need for greater community awareness of the benefits available through vocational education and training in general, and TAFE in particular. This needs to be matched by

improvements in the way both job seekers and workers are supported to improve their skills, particularly in areas of high demand.

- Recommendation 6:** The NSW State Government should ensure TAFE NSW serves as the gold standard for VET, ensuring quality, consistency, and industry relevance.
- Recommendation 7:** The NSW State Government should ensure strategic investment in TAFE facilities and learning resources in clearly identified priority fields of education.
- Recommendation 8:** Business NSW recommends the development of MOU frameworks between TAFE and industry leaders addressing shared outcomes, resources and staffing at the state and local level.
- Recommendation 9:** Providers and government should work in partnership with industry on improving transport and accommodation facilities for students in regional areas attending TAFE.
- Recommendation 10:** TAFE and other VET providers should investigate ways of encouraging, recognising and rewarding the contribution of experienced and successful educators and industry experts in vocational education and training, in partnership with the NSW State Government.

## Boosting Participation and Success

- 1 *What does success look like for Vocational Education and Training (VET) students, beyond simply completing their qualification?*
- 2 *What existing initiatives and programs work well or can be enhanced to address barriers to completion?*
- 3 *How can Vocational Education and Training (VET) students be better supported to ensure they gain suitable and rewarding employment?*
- 4 *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?*
- 5 *How can Vocational Education and Training (VET) student support services change to increase participation and achieve better outcomes for diverse cohorts?*
- 25 *How can NSW Vocational Education and Training (VET) adapt to meet skills needs in regional, rural and remote areas?*

Flexibility and opportunity are the hallmarks of Australia's tertiary education system. Quality vocational education and training remains essential if we are to keep pace with rapidly evolving skills needs across a broad range of industries. A healthy tertiary education system should provide multiple pathways for success. Careers advice plays a valuable role in helping current and prospective participants in vocational education and training get a sense of the different pathways available, and their alignment with their own individual interests, needs and circumstances.

### VET in schools

- 6 *What barriers exist within the secondary school system which may inhibit the growth of participation in Vocational Education and Training for Secondary Students (VETSS)? What solutions are there to these barriers?*
- 7 *What innovations in delivery modes, course offerings and student support services could drive improved participation rates and outcomes in Vocational Education and Training for Secondary Students (VETSS)?*
- 9 *How might industry and education partnerships and workplace learning opportunities improve Vocational Education and Training for Secondary Students (VETSS) student learning outcomes and post-school pathways planning?*
- 10 *What innovations in delivery modes, course design and student support models could drive improved completion and participation rates in Apprenticeships and Traineeships?*
- 11 *How can governments, industry and employers support student success in Apprenticeships and Traineeships?*

NSW has seen a decline in the number of school students undertaking a VET qualification since 2013, from over 60,000 to only 47,900 in 2021. Tourism, travel and hospitality; sports,



fitness and recreation; and business services remain the three most popular areas for VET qualifications in NSW schools. Jobs and Skills Australia projects that the three largest growth areas to 2026 will be health care and social assistance, professional services, and education and training. Construction ranks far higher than sports, fitness and recreation for projected jobs growth and yet very few school students undertake a construction-related VET course.

Not all schools have embraced the introduction of VET courses. Many schools still tend to give priority to traditional pathways to university, with 'non-ATAR' alternatives considered 'non-academic'. The Australian Tertiary Admission Rank (ATAR) dominates the high school curriculum. The learning pathways that tend to be encouraged still prioritise subjects leading to university study. There is an enduring perception where VET in schools should only be considered by those with lower academic capability. This perception needs to change. Opportunities for aligning VET in schools with growth occupations and areas of skills demand will go some way toward addressing this.

Many of the students who pursue VET in schools are high achieving students. They often find themselves juggling various commitments while also studying for their HSC. Previous submissions from Business NSW on the status of VET in schools have described instances where high-achieving students avoid VET subjects due to perceptions of low esteem. Some schools highly value VET courses and promote the potential pathways students can achieve. However, there is an enduring perception among school stakeholders (including parents, students and staff) that VET courses remain inferior subjects. Impressions of VET in schools appears to be strongly influenced by perceptions regarding the level of challenge in VET subjects, the relevance of their curriculum and the quality of their instruction. Programs delivered in schools can sometimes lack relevance, with teachers often lacking the resources needed for delivering educational experiences that are engaging and relevant.

Research conducted by Apprenticeship Support Australia NSW in 2019 demonstrated the value of School-Based Apprentices and Traineeships (SBATs) for both employers and students. This research found that three-quarters of young people who had started a SBAT agreed that the experience had given them an advantage over those who hadn't started one. The self-reported unemployment rate among SBAT completions was only 4.3 per cent: far lower than the then NSW state-wide youth unemployment rate of 9.4 per cent. That research also found high levels of satisfaction among apprentices and trainees, with 88 per cent of young people who had commenced an SBAT being likely to recommend it to a friend. Despite these positive outcomes, students were far less satisfied with the support received from their school or teacher than any other aspect of the SBAT. Current and former SBAT participants identified timetabling as a significant hurdle in balancing their schooling, training and employment responsibilities. Students also reported significant challenges due to travel requirements, particularly in regional areas.

These challenges extend to administrative considerations in the authorisation and approval of school-based apprenticeships. Delays between commencing an apprenticeship and commencing training is a risk factor for completion. Apprentices often have to wait 12 months or even more to commence the training component of their qualification due to

challenges with course availability. These apprentices lose valuable time where they cannot commence their training in a timely manner, missing out on valuable opportunities for both formal and social learning. The process for signing up school-based apprentices remains a challenge for careers advisors in NSW, with approvals in some cases requiring 7 signatories. Some advisors ultimately abandon the sign-on process, and the program, to the detriment of their students. Facilitating an easier process for schools to sign students up for apprenticeships could be the first step in a domino-effect for removing barriers to education and training. In 2023, for example, the Commonwealth Government (DEWR) allowed SBAT's to be signed up via virtual communication platforms, thus simplifying the logistics required in stakeholder coordination. This simple measure substantially reduced the lead-time required in completing SBAT agreements, thus dramatically improving the process for on-boarding trainees at a critical time in their career.

**Recommendation 11:** Align priorities for VET in schools with guidance on growth occupations and skills shortages provided by Jobs and Skills Australia.

**Recommendation 12:** Schools and providers should work in partnership with government and industry in identifying and removing administrative hurdles for on-boarding trainees.

### Careers advice in schools

8 *How might careers guidance be enhanced for school students undertaking Vocational Education and Training for Secondary Students (VETSS) and their parents, teachers and influencers?*

Our 2022 *Workforce Skills Survey* found only 7 per cent of businesses considered the careers advice currently available in schools to be sufficient. There are enduring concerns regarding the quality and availability of reliable advice on trade-based apprenticeships and traineeships. These were also reflected in the Skillsroad 2018 Youth Census, where 19 per cent of public school students and 22 per cent of private school students reported being encouraged to pursue university study compared with only 4 per cent (public) and 2 per cent (private) encouraged to pursue an apprenticeship or traineeship.

The NSW Government's *Educational Pathways Program* saw the introduction of SBAT mentors in schools in 2021. The government school sector in particular has since seen a substantial increase in the number of SBAT approvals. Completion and satisfaction rates for SBATs have also improved. The NSW Government also supports *Careers NSW*, a pilot initiative providing careers advice. Consideration should be given to enhancing and extending initiatives of this kind.

**Recommendation 13:** Improve coordination between Jobs and Skills Australia and the careers advice provided in schools.

## Pathways and recognition

- 28 *How can students be supported to transition to or from Vocational Education and Training (VET) and higher education learning to achieve their aspirations?*
- 34 *How can students be encouraged to consider Vocational Education and Training (VET) pathways in their career planning? What is the role of parents and carers, teachers, careers advisers, industry and governments?*

Business NSW recognises the diverse range of skills required in meeting Australia's current and future workforce needs. This is particularly the case as the labour market continues to evolve in both complexity and sophistication. However, this complexity can sometimes give rise to 'credential creep' in the sense whereby undue emphasis can be given to higher level qualifications. Enthusiasm for advanced degrees needs to be matched by efforts to ensure the quality and relevance of entry level qualifications. It is also important that entry level qualifications are recognised as a gateway to education and training for young people and those from disadvantaged and underrepresented groups.

Feedback received from Business NSW members suggests substantial scope for improving articulation between VET and university study. While there are promising examples of collaborative initiatives between providers of VET and higher education, opportunities remain for improving articulation opportunities in tertiary education. These include financial disincentives for providers in the recognition of prior learning, and the time investment required in doing so. One practical response may be for Jobs and Skills Councils to nominate specific providers who regularly undertake RPL for specific occupations who may then assist in the development of good practice resources for RPL across the tertiary sector.

**Recommendation 14:** Jobs and Skills Councils should continue exploring ways of improving both policy and practice in the recognition of prior learning.

## Engagement with industry

- 26 *How might the NSW Vocational Education and Training (VET) system best ensure that employers are satisfied with Vocational Education and Training (VET)?*
- 35 *How can the NSW government improve its approach to engagement and partnerships to support the Vocational Education and Training (VET) system?*
- 37 *What is the role of industry in partnering with Vocational Education and Training (VET) providers and government?*

Continuous improvement in program development and delivery requires regular industry feedback, in addition to a diversity of employer-supported training and development opportunities. Business NSW is keen to support efforts dedicated to making the most of engagement opportunities at the individual, course and program level. Businesses are keen

to have a more influential role in the planning and design of relevant educational and training courses, along with ongoing involvement in supporting on-the-job training, career mentoring and advice. Business are also actively engaged in supporting apprenticeships, traineeships and other forms of work-integrated learning. The industry contribution to VET also includes providing real-world scenarios, feedback, and ensuring course relevance.

The Business NSW 2022 Workforce Skills Survey found that 66 per cent of businesses reported they would be interested in partnering with schools in supporting mentoring, work placements or work experience opportunities. Many of these are small and medium sized businesses. While Business NSW recognises that it can be more challenging to engage with and enter into partnerships with SMEs, it is critically important that TAFE actively engages with small and medium-sized business to find innovative ways of engaging with them.

There remain opportunities for making the most of the contribution offered by current industry practitioners. Employers across the state already make a substantial contribution to the learning opportunities available through TAFE, where industry engagement in learning has a long tradition. Many of our members have indicated a strong desire to make a greater contribution. His contribution is often frustrated by what are perceived to be unduly bureaucratic requirements. The challenge here lies in achieving the right balance between industry relevance and assuring consistency. Both employers and students would benefit from a more strategic approach to industry engagement in quality learning.

The NSW Government's *Regional Industry Education Partnerships* (RIEP) program connects local industry with secondary school communities, providing opportunities for employers to engage with schools and students on planning for career pathways. The Program has been a vital connection between industry and secondary schools, promoting greater awareness of career path opportunities. Consideration should be given to strategies and initiatives that support industry engagement in vocational education and training tailored to supporting the participation of small and medium enterprises, particularly in regional NSW.

**Recommendation 15:** Providers and government should work with industry to support the participation of small and medium sized businesses in the development and delivery of vocational education and training in NSW.

## **Conclusion**

Business NSW warmly welcomes this important and timely review of the vocational education and training system in New South Wales. Many of our members are actively engaged in supporting training providers and schools in workplace-based training, career advice, program development and periodic review. Business NSW has long been an advocate for increasing participation in vocational education, improving outcomes for graduates and investing in the next generation of leaders across all sectors of the state's economy. Together, we look forward to working with governments state and federal and other stakeholders in working toward a vocational education and training system for NSW that is truly world class.

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