



Submission to the Inquiry into career advice activities in Victorian schools

***Getting the Mix Right:
How career advisors can shape our
collective future***

Victorian Parliament Economic, Education, Jobs & Skills Committee

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Getting the Mix Right: How career advisors can shape our collective future

Overview

TAFE Directors Australia (TDA) welcomes the opportunity to make this submission to the Victorian Parliament's Economic, Education, Jobs and Skills Committee for the Inquiry into career advice activities in Victorian schools. TDA congratulates the committee on its concern for supporting young people's transition into tertiary education.

As a nation we can expect profound changes within job roles across industry sub-sectors as automation replaces routine activities, even within professional services. Typical organisation (even industry) hierarchies, designed to efficiently allocate tasks and resources and monitor efficiency and quality, are also likely to be transformed. Communications technology allows consumers to be more self-directed through on-line platforms and controls normally facilitated through hierarchies are replaced with better analytics and feedback loops to the centre of the organisation (sometimes referred to as dis-intermediation).

In Germany and parts of Canada, half of all young people undertake vocational education pathways.

TDA recognises the value of universities, the education they provide, and the contribution they make to Australian society, through research and the dissemination of knowledge. We argue, however, that

our vocational education and training (VET) sector, and our publicly-owned TAFE institutes and TAFE divisions of dual sector universities in particular, are grossly undervalued. Governments, especially at the federal level, have cut funding in real terms to TAFEs, and made it harder for TAFE to differentiate itself as the trusted, quality provider. Meanwhile, the scandals that have rocked the VET sector since the opening up of the VET FEE-HELP loan scheme in 2014 have meant that public trust in Australia's VET sector is low. Parents remain reluctant to send their children to a TAFE, despite career prospects that are on par or better than those awaiting many university graduates.

In Germany, half of all school leavers end up in the dual VET (apprenticeship) system in public VET colleges. This number increases if the number of students who undertake 'dual study' programmes at the bachelor level in universities of applied science are included¹. In Ontario, Canada – which boasts a network of Colleges of Applied Arts and Technology similar to Victoria's – 58 per cent of new entrants into the province's postsecondary education system enrolled in a college².

These figures speak to the tremendous potential of Australia's TAFE system.

¹ BiBB (German Federal Institute for Vocational Education and Training), 2015. VET Data Report.

² Colleges Ontario. 2017. Student and Graduate Profiles.

http://collegesontario.org/research/2017_Environmental_Scan/CO_EnvScan_2017_PROFILES_WEB.pdf

Key Points

- Young people, their parents and career advisors need better information to make decisions about education and training.
- The choice between higher education and VET shouldn't be seen as an 'either/or' option; instead tertiary education should be seen as a continuum with permeable pathways between the two.
- Education and training should place greater emphasis on the technical and employability skills that learners will need throughout their careers.
- Under a professional development framework, career advisors must be adequately trained to provide advice that meets the needs of learners, employers, and communities.

Workers of the future will need a different cross-section of skills

For Australia's firms to remain competitive, the tertiary system needs to prepare young Australians for the jobs of tomorrow. Even though higher level technical skills are expected to be in higher demand, young people are increasingly choosing university. Meanwhile, the vocational education and training system is seen increasingly as a second choice.

The ways in which we live, learn, and work are changing. The rigid hierarchies and top-down governance are coming to an end. They are being replaced with bottom-up change, greater flexibility and collaboration, and increased decentralisation³. This has profound implications for the future of work, and for the skills that today's young people will need to succeed in tomorrow's economy.

In the face of job losses arising from automation and dis-intermediation, the career advice provided must ensure all Australians are able to pursue a tertiary qualification, and they have the information

‘The ability to interact and engage with new and emerging technologies will give workers a value-added proposition over the technologies that risk making them obsolete.’

that allows them to make the best choices possible. The qualifications must, in turn, include the broad technical knowledge and employability skills that enable learners to engage in productive work over their working lives. The ability to interact and engage with new and emerging technologies will give workers a value-added proposition over the technologies that risk making them obsolete.

Along with the recommendations we make in this submission, TDA also recommends that training products should be re-imagined to reflect the needs of future workers and how their skills will be used by employers or in establishing and operating their own business.

³ Goedegebuure & Schubert, 2017. Strengths and benefits of the Victorian TAFE model. http://www.vta.vic.edu.au/PRESENTATION_PDFS/Vic-TAFE-Strengths-Benefits-Rprt-web.pdf

Higher level technical skills form the basis of VET diplomas and advanced diplomas, as well as degrees and graduate certificates offered by TAFE and other high-quality VET providers. It is these skills that will drive developed economies, including Australia's, into the future^{4,5}. According to the OECD, developed economies will need higher technical skills to 'compete on the quality of the goods and services they produce'⁶. Research from Europe has found that skills mismatches are greatest between supply and demand of high-level VET qualifications⁷; Australia appears to be facing the same challenge^{8,9}.

It has further been predicted that jobs supported by VET qualifications (at multiple levels) are less susceptible to automation¹⁰. In short, VET is able to meet employers' demand for skills, and will be able to do so in the long term, with holders of VET qualifications less affected than many other workers by the automation that is sweeping across Australia's economy. Moreover, high-quality VET qualifications combine the hard and soft skills employers need with the knowledge that underpins those skills. This means that holders of these qualifications won't need to be retrained as often or for as long as many of their peers.

The Foundation for Young Australians¹¹ predicts an increase in the need for transferable (employability) skills in the workplace. These include:

- Critical thinking and problem solving,
- Written and verbal communication, and interpersonal skills,
- The ability to learn,
- Science and maths, and
- Digital skills.

These skills are embedded across VET and higher education qualifications, but their importance is not adequately recognised by either. Their importance in VET qualifications is downplayed in favour of narrow technical skills, and in higher education in favour of specific content¹².

Recommendation: Both the VET and higher education sectors should be required to articulate how these transferable employability skills are developed across programmes of study, and ensure they are clearly communicated to students. In the VET sector, training regulation and products should allow providers the flexibility to embed these skills in their training curricula, ensuring they are developed adequately.

Australia's training system has been criticised for its proliferation of qualifications¹³. New Zealand has adopted a vocational streams approach to VET qualifications¹⁴. Germany has rationalised its

⁴ OECD. 2010. Learning for jobs.

⁵ OECD. 2014. Skills beyond school.

⁶ OECD. 2010. Learning for jobs. (p.9)

⁷ CEDEFOP. 2014. Skills mismatch: more than meets the eye. Briefing note, March 2014.

⁸ Reeson, A. et al. The VET Era. Equipping Australia's workforce for the digital economy.

⁹ TAFE NSW Western Sydney Institute & Western Sydney Business Connection. 2015. Skills Barometer 2015. Building a skilled workforce for Greater Western Sydney.

¹⁰ Oliver, D. 2016. Getting over middle child status. In CEDA, VET: Securing skills for growth.

¹¹ Foundation for Young Australians. 2017. The new work smarts: Thriving in the new work order.

¹² Wheelahan, L. et al. 2015. Linking qualifications and the labour market through capabilities and vocational streams. NCVER, Adelaide.

VET qualifications. It is time for Australia to do the same. This should result in a significant reduction in the number of VET qualifications and streamline young people's career choices.

Recommendation: The breadth of individual VET qualifications should be increased, with less of a focus on skills for specific occupations, and more of a focus on imparting knowledge and skills for a broad vocation. This will ensure a better match between qualifications and the labour market because it will better prepare young Australians for a range of job roles relating to their field of study, and will reduce their need for retraining¹⁵.

In short, TDA believes that broader, deeper qualifications, mandated by governments, and agreed by industry, would provide young Australians with better options, both when choosing their qualification, and when seeking their first jobs. NCVER data point to 43 per cent of graduates of the VET system employed in the occupation they trained for. This figure goes to about one in four in more generalist qualifications, such as ICT and business. However, across the board, the same data point to nearly 80 per cent of graduates employed in an occupation for which the training was relevant. At the time of writing, there are nearly 1,500 qualifications and just under 800 accredited courses listed on training.gov.au. Germany, by contrast, offers school leavers the choice of around 330 vocational qualifications.

This proliferation of choice also makes navigating study options daunting. Well trained career advisors would certainly make this process easier, but so too would a substantial rationalisation of qualifications on offer.

Learners, advisors and decision-makers depend on high-quality information

Prospective students seeking to enter tertiary education currently have neither the information nor

‘The current demand-driven funding model for universities risks supply of higher education graduates outweighing the jobs in the economy needing those levels of skills and knowledge.’

the guidance that will enable them to make the choices that are best for their future careers. Students who may be better suited to a VET education in TAFE are

directed towards universities because:

- Career advisors have limited knowledge of and experience with VET and TAFE;
- Decision-makers and influencers don't have the data that would allow them to make accurate comparisons between pathways; and/or
- It is assumed that a university degree will lead to good employment outcomes

A university degree should not be seen as a panacea for young people. The current demand-driven funding model for universities risks supply of higher education graduates outweighing the jobs in the economy needing those levels of skills and knowledge. Like with any market, higher supply means decreasing value. Since 1997, the number of people attending Australian Universities has doubled¹⁶. Meanwhile, median starting wages for graduates have declined in real

¹⁵ Wheelahan, L. et al. 2015. Linking qualifications and the labour market through capabilities and vocational streams. NCVER, Adelaide.

¹⁶ Department of Education and Training. 2015.

terms¹⁷, as has the full-time graduate employment rate¹⁸. Nevertheless, many jobs that have traditionally required VET will remain in the economy. According to a recent report by the Skilling Australians Foundation¹⁹, VET (and TAFE) graduate outcomes are comparable if not better than for graduates of university programmes.

For young people to make sound careers decisions, this information must be made available to them, to their parents, and to other influencers. Career advisors, few of whom have strong knowledge of Australia's VET system and its employment outcomes, need to understand what this information means for young people, and be trained to provide it.

Recommendation: Data that accurately compare VET and higher education sector job outcomes, including starting salaries, student debt, and short- and long-term career pathways, should be collected, collated and effectively communicated to young people, through career advisors as well as through a media campaign.

We need better permeability between higher education and VET

Few young people will have the luxury, enjoyed by their parents and grandparents, of being able to stay in the same job, or the same company over the course of their careers. This constant state of flux – across occupations, employers, and sectors – means that they will need to be lifelong learners, with agency over their training and career development. The current bifurcated model, with VET on one side and higher education on the other, will not support the jobs of the future.

Vocational skills can and should complement academic ones, and vice versa. For example, graduates of university humanities programmes could benefit from VET skills in marketing, copywriting, or public relations. Similarly, graduates of a diploma programme in ICT should be able to articulate into a university computer science or engineering programme. This permeability between the two sectors, but especially the value-added potential of VET for university graduates, should be recognised and communicated to prospective students.

‘The current bifurcated model, with VET on one side and higher education on the other, will not support the jobs of the future.’

Recommendation: The links between VET and higher education should be strengthened, and the complementarity of the two sectors, especially in terms of how they can come together to support career progression and lifelong learning, should be recognised more broadly.

Recommendation: The need for lifelong learning strategies should be emphasised as early as possible in schools, VET, and higher education.

¹⁷ Graduate Careers Australia. 2016. Graduate Salaries 2015. A report on the earnings of new Australian graduates in their first full-time employment. <http://www.graduatecareers.com.au/wp-content/uploads/2016/07/Graduate-Salaries-Report-2015-FINAL1.pdf> Accessed 28 July 2017.

¹⁸ Graduate Careers Australia. 2015. Grad Stats: Employment and salary outcomes of recent higher education graduates. http://www.graduatecareers.com.au/wp-content/uploads/2015/12/GCA_GradStats_2015_FINAL.pdf Accessed 31 July 2017.

¹⁹ Wyman, N. et al. 2017. Perceptions are not reality : myths, realities & the critical role of vocational education & training in Australia. Skilling Australia Foundation.

Graduates of most VET and university qualifications are not working in the occupation they trained for. However, most VET graduates are working in a job for which the training was relevant²⁰. This fact supports a broader approach to VET qualifications, where they prepare learners to work in a particular sector, rather than in a particular occupation. Moreover, given the changing nature of work, this approach is more cost-effective as it prepares graduates for a greater number of jobs, meaning they will need less time for retraining.

Different communities have different needs

The needs of communities in different regions – within Victoria, and more broadly across Australia – are different. Employers in large metropolitan areas differ significantly from their counterparts in rural and regional areas. The same is true of learners.

Career advice must consider these regional needs, and recognise that, in many cases, the future prosperity of a community depends on its ability to retain people and create employment

‘Students who have completed certificate and diploma programmes at a TAFE institute benefit from a variety of pathways into degree programmes at universities across Australia.’

opportunities. It is therefore important that career advisors have a solid understanding of their communities, including key industry sectors, the range of employers, the opportunities for tertiary education, as well as the needs, aptitudes, and aspirations of learners within those communities. Any future approach to career advice must reflect

these elements, and ensure that advisors are adequately trained to deal provide learners with viable pathways.

We need a framework for high-quality career advice

The career advice that is provided to young Victorians must recognise the diversity amongst different learners, different communities, and different tertiary education providers. It must also aim to break down the preconceptions surrounding higher versus vocational education.

Not all students are suited to university

Directing students towards university is an easy solution. Demand-driven funding has lowered entry requirements for many programmes. Moreover, few career advisers have direct experience with other career pathways. But university is not for all learners. Some young people prefer a practical, hands-on approach to learning. These learners may very well be better suited to a TAFE. Similarly, some learners may not feel valued unless they are *doing*; these are ideal candidates for apprenticeships and traineeships. Other learners may not want to invest three or four years of their life, sitting in classrooms. Instead, they could earn a TAFE qualification much more quickly. Or they could enter a trades or higher apprenticeship programme, and spend most of their time learning on the job.

²⁰ NCVET. 2017. Student outcomes survey.

The choices are daunting

Young Australians face a choice of over 2,200 VET qualifications and accredited courses. Career advisors must have a strong knowledge of the offerings, as well as of individual students' abilities and aptitudes, in order to offer a personalised (and manageable) range of potential options. This means that career advisors must be adequately trained to understand the nuances of the VET system, while responding to learners' individual characteristics.

There's more to VET (and TAFE) than certificates and diplomas

TAFE institutes across Australia offer bachelor-level qualifications in specialised, technical areas. Because of this degree of specialisation, these graduates are often in high demand in the labour market, and benefit from higher earnings than their peers graduating from generalist programmes. Students who have completed certificate and diploma programmes at a TAFE institute benefit from a variety of pathways into degree programmes at universities across Australia. Finally, VET programmes make explicit the fact that no qualification is terminal: there is always more to learn, be it a qualification at a higher level, or a new skill set.

Recommendation: TDA recommends the adoption of a framework that will inform career advice as well as the training of career advisors that takes into consideration:

- The extent to which the advice considers individual learner characteristics.
- The extent to which the advice:
 - Considers a variety of possible pathways in both VET and HE; and
 - Considers these pathways in the context of the learner's characteristics.
- The extent to which the advice is able to address parental concerns (and ambitions).
- The extent to which the advice responds to regional needs and socio-economic realities.

About TAFE Directors Australia

TDA is the peak body incorporated to represent Australia's government-owned Technical and Further Education (TAFE) institutes and university TAFE divisions, and the Australian-Pacific Technical College (APTC).

TDA operates a National Secretariat, and enjoys full membership of all TAFE Institutes in states and territories, including six dual sector universities and the eleven TAFE institutes currently registered as Non-University Higher Education Providers (NUHEPs).

TAFE enrolled more than 2 million students in 2015, and our members continue to enjoy a majority share of government-funded training. TAFE remains the dominant partner in vocational education and training (VET) across most of Australia's core skilled occupations, and with major Australian industry.

At a wider sector level, VET is the major component of the tertiary education system; NCVER confirms VET enrolled three times as many students undertaking some form of accredited training, albeit with many on a sessional basis, as those attending universities across Australia in 2015 (4.5 million¹ compared to 1.4 million¹ respectively).