

Submission from NVEAC to Skills Australia

Background to NVEAC

The National VET Equity Advisory Council (NVEAC) was established in mid-2009 to provide high level strategic advice to the Ministerial Council for Tertiary Education and Employment (MCTEE) to guide equity reform in the nation's vocational education and training (VET) system. The Council represents the needs of people who experience disadvantage in engaging with this system.

A priority for NVEAC are those who have reduced access to society's economic, cultural and social resources and as a result are disadvantaged in VET and employment opportunities. This includes:

- People from low socioeconomic backgrounds;
- Indigenous Australians;
- People with a disability;
- People who are unemployed;
- People living in highly disadvantaged localities.

The Council's goal is a VET system that provides disadvantaged Australians with:

- Increased levels of participation and success in VET;
- Higher levels of qualification attainment;
- Effective transitions from school and community to VET and from VET to further education and employment; and
- Sustainable employment outcomes.

In pursuing these objectives, the Council will focus on the capacity of the VET system to encourage and enable disadvantaged Australians to more fully participate and experience success in VET.

Overview of this submission

NVEAC has met only twice and thus the focus on this submission is to highlight the aspects of the Workforce Futures papers that resonate with NVEAC and which NVEAC would welcome the opportunity of working with Skills Australia to progress further. These relate particularly to Skills Australia's observations on foundation skills, funding, areas of policy intervention as well as NVEAC's views on pathways, causes of disadvantage and the need for systemic reform.

General comments on Skills Australia paper *Workforce Futures*

The National VET Equity Advisory Council (NVEAC) welcomes Skills Australia's focus on social and economic inclusion when discussing the workforce of the future. In terms of the fundamental questions that Skills Australia poses in its overview paper NVEAC makes the following observations:

What does the future hold? NVEAC is of the view that analysis in this area would benefit from a fuller understanding of what the future holds for equity groups as they are likely to be more disadvantaged than the whole general population. It is our view that Skills Australia needs to be cognizant of the growing level of disadvantage amongst the equity groups and explore how a future workforce develop plan can address this.

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How can we best realise Australia's skills potential? NVEAC is of the view that an important part to delivering this is viewing skills development and workforce participation as part of an eco system. An important perspective is the learner's experience and aspirations within this ecosystem. Viewing the potential from this perspective starts to highlight the interrelationship between VET, Higher Education and employment.

A shared national framework for workforce development – this needs to place Australia's equity groups front and centre. This can be done by examining how the incentives for training will positively or negatively impact on equity groups participation and achievement in training. Further, a sole focus on higher levels skills may inherently 'keep out' equity groups who are more likely to be represented in the lower level qualifications.

NVEAC supports Skills Australia's aim to '*emphasise the need to remove workforce participation barriers for all Australians as a way of achieving social objectives – such as addressing poverty - and meeting Australia's future economic needs.*'

NVEAC also draws attention to the need to consider the 'social bond' or 'social contract' (between employee and employer/business, between student and teacher/institution) implied in the term 'social inclusion'.

In these terms, 'disadvantage' is an outcome of the 'rupture of the 'social bond' or 'social contract'. Therefore it is important to consider how employers think about the 'disadvantaged' - not in deficit terms but in terms of the assets they potentially bring to an employer and the benefits to the employer of making investments in their workers.

One form of investment is in the education and training of workers, recognizing that their current level of education and training is more a function of things outside their control than their innate abilities, motivation, character, etc. This reflects the ideas stated by Silver and Miller (2003:3)¹ that 'society owes its citizens the means to a livelihood, and citizens in turn have obligations to the larger society'.

NVEAC supports the need to address regional and local workforce participation challenges, especially in areas of disadvantage – possibly through:

- Identifying opportunities to use skill ecosystem locational approaches to develop sustainable solutions to underemployment and unemployment
- Ensuring employers and workplaces are effectively engaged in social inclusion strategies so that as people acquire skills, they have solid opportunities for quality employment.

Foundation skills, funding and policy interventions to support disadvantaged Australians

In consultations undertaken to date, NVEAC has heard stakeholders highlight the issue of addressing foundation skills, the issue of funding and the need for policy intervention for certain groups within the community - all of which are mentioned in the Skills Australia paper:

¹ Silver, H., & Miller, S. M. (2003). Social Exclusion: The European Approach to Social Disadvantage. *Indicators*, 2(2), 1-17.

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- NVEAC agrees that increased national effort on foundation skills, especially for literacy and numeracy, is needed. NVEAC notes that if the COAG targets of doubling the number of higher level qualifications and halving the number of those with Certificate III or below are to be achieved, there must be concerted national effort to increase the level of foundation skills in the population. This is an area where government intervention can play a pivotal role. Skills Australia poses some very pertinent questions which are questions that NVEAC is also dealing with:
 - How can governments' goals and targets for higher educational achievement better coordinate with the need to improve foundation skills of the workforce?
 - How can governments' tertiary education targets best be implemented to ensure an improvement in foundations skills of the workforce?
- NVEAC also welcomes consideration of per student spending. Skills Australia questions if public spending is sufficient to provide for anticipated demand, produce good outcomes and meet the needs of particular groups – especially in VET and in those community education sectors where less advantaged students are concentrated.
- Skills Australia also asks the question– is the VET sector, which makes the greatest provision for the least advantaged, adequately funded to provide the more intensive monitoring and teaching required for its diverse clientele to succeed?

It is NVEAC's view that, as it is currently funded, the VET sector is not sufficiently supported to provide the more intensive **personalised support and customised teaching** required and that progress in and funding for equity is falling behind in the VET sector. This is in contrast to the targeted attention given to equity in the nation's other education sectors, through:

- the low SES participation target in higher education resulting from the Bradley review
- the National Partnerships (focused on literacy and numeracy, low SES schools and communities, and teacher quality) in the school sector.

Ongoing and sustained support is needed for students from disadvantaged groups if they are to attain qualifications and jobs at levels comparable to other groups of students and this support needs to be available to students no matter which registered training organisation they attend.

It is NVEACs contention that investing **differently to achieve successful outcomes where they have previously evaded us** will bring returns to the individual, the economy and the community, and thus funding **that delivers a more inclusive sector with greater impact on both workforce participation and workplace productivity** needs to be seen as an investment rather than simply a cost. This should include investing **more and differently** in:

- effective language, literacy and numeracy **development**;

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- new models of learner support (e.g. customisable ‘packages’ of tutoring, coaching, assistive technology, interpreters, counselling, life skills support, active case management – whatever is needed – where the learner has purchasing power);
- initiatives that ensure employers get the support they need;
- RTOs to provide the customised and integrated support that disadvantaged learners need and to ensure their staff have the skills to deal with learners with complex needs;
- effective transitions between school and training and between training and employment or further study;
- facilitation, project management and other customised services to
 - understand and stimulate skill ecosystems in a community context
 - grow the community capacity (both precursory and complementary) which fosters and sustains skilling efforts ‘in place’. Examples include ‘community skills accounts’; ‘place action teams’; and the like.
- Noting the mismatch between the demand for and supply of skills, Skills Australia asks if policy interventions that focus on alternative approaches to attracting a greater supply of qualifications/skills other than from young people should be considered – policy interventions that focus on those with lower skills, older students, and discouraged learners.

NVEAC supports policy interventions for those with lower skills, older students and discouraged (i.e. disengaged) learners –and would expand this to include specific mention of those with a disability, Indigenous Australians and those whose participation in VET is over-represented at the lower Certificate levels, specifically students from low SES backgrounds.

Skills Australia also highlights the need for a comprehensive strategy to support people to better engage with work, which will include:

- Establishing a whole of government approach and national agreements on concepts, principles and indicators of success;
- Resourcing change – adoption of new funding principles to support workforce development;
- Guiding reform and providing a catalyst for change – support for change agents and hubs and lighthouse projects; and
- Building a workforce development plan which is inclusive of all Australians and as such emphasises strategies for including equity groups in future developments.

NVEAC sees parallels between this proposed strategy and its own concern to better engage disadvantaged people with VET – hence its focus on:

- Developing a vision and framework for equity reform in the nation’s VET system;
- Developing a set of performance measures and targets for equity groups in the nation’s VET system;
- Analysing investment options to support equity students in the long term to achieve improved VET outcomes.

Workforce Development and Pathways

Skills Australia defines workforce development as those policies and practices that support people

- To participate effectively in the workforce;
- To develop and apply skills in the workplace context;
- Where learning translates into positive outcomes for enterprises, the wider community and for individuals throughout their working lives.

NVEAC believes that a focus on transitions and pathways, **underpinned by a learner centred view of the system**, is an important aspect of workforce development policies that seek to include those who experience disadvantage and may be excluded from vocational education, training and employment. Pathways can encompass the transition from:

- limited or no employment and limited skills into learning;
- school (for those who are successful at school and those who become disengaged) to vocational education and training
- non-accredited learning to vocational education and training
- community-based learning and vocational education and training to employment
- employment to further education and training and back to employment
- university to vocational education and training and to employment

Policy concerning VET transitions and pathways is fundamentally important for workforce development. Moreover, for disadvantaged learners, VET is often more than access to employment – it is about education and gaining the range of skills to contribute fully as citizens and members of the community. Hence a focus on transitions and pathways is imperative for a broader view of the role of VET for a person with low skills or limited opportunities.

Long term unemployed and disadvantage

NVEAC notes the description of the 5 clusters of people over represented among the long term unemployed – all of whom share the attribute of having low skills. NVEAC is of the view that these make significant contributions to disadvantage and agrees with Skills Australia that *“there is a general tendency for those who have left school early or who have limited skills acquired in the workplace to be at greater risk of marginal attachment to the labour market.”* The 5 clusters are:

- Slightly older, mainly female groups who work in low or medium skilled jobs and who have patchy attachment to labour force

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- Non-English speaking background people with higher than average education but who do not speak English well
- Younger than average men retrenched from low skilled jobs
- Slightly older than average people with NESB parents, many with a disability and many living in rural areas
- Young people who do not complete high school and who are looking for their first job

Need for systemic reform

Skills development discussed in this paper is the fundamental intervention to be focused on if we are to increase the participation and success of disadvantaged Australians in VET and employment, and to achieve a more socially inclusive society. While much good work has occurred in VET and in community education programs, through a range of pilot projects and small funding programs to enhance skill development, there is much still to be done systemically to lift rates of participation in VET and to translate this participation into social inclusion in community life, opportunities for self development and sustainable employment.

NVEAC believes that systemic reform through building equity considerations into the 'DNA' of VET ...is fundamental to achieving Skills Australia's aim to ...

remove workforce participation barriers for all Australians as a way of achieving social objectives – such as addressing poverty - and meeting Australia's future economic needs.'

NVEAC therefore supports the type of systemic approach taken by the US National Fund for Workforce Solutions in assisting disadvantaged adults to advance into quality jobs (as referenced in the background paper 2) and sees that it has applications in the VET sector. In particular, NVEAC is attracted to the following principles for practice:

- Focus on solving the problems faced by workers and businesses
- Create flexible partnerships (workforce intermediaries) that have strong connections to employers and communities;
- Build relationships – don't engage in transactions;
- Work to change business practices in terms of employment and government practices in terms of funding arrangements
- Adopt a long term orientation

Appendix

NVEAC acknowledges the extent to which Skills Australia has recognised the participation of disadvantaged groups in employment throughout its three papers and highlights the following as particularly relevant to the work NVEAC will undertake.

- The workforce participation rate in Australia is 65% - but there are many people in or on the margins of the labour force who want more work;
- 1.5 million people are unemployed or want more hours of work;
- Those with incomplete schooling and no further education are poorly equipped to take up jobs in the new economy;
- Women and young people are affected by growth in part-time and casual work;
- Indigenous Australians face profound employment barriers - Indigenous labour force participation rates are lower and unemployment rates higher than for non-Indigenous people in all parts of Australia in all age groups;
- Participation rates for men of prime working age in employment are still 9 percentage points lower than in 1970;
- There are significant differences between states – 16 percentage points difference between states with highest and lowest participation rates in employment;
- Place-related disadvantage continues to be concentrated in big city suburbs - ‘webs of disadvantage’ (Vinson, quoted on p. 24) permeate localities with low access to job opportunities, high rates of poor health and imprisonment, lack of informal work and business networks, high rates of single parent families, etc;
- Young people and non-English speaking recent migrants are experiencing the impact of the economic down turn more severely than others.
- Literacy and numeracy rates seem resistant to improvement – over 40% of the workforce achieving low measured scores for literacy and numeracy
- Average weekly earnings of full time employees was \$790 per week for those with Year 10 education or below compared to \$1620 per week for those with post graduate degree (ABS Survey quoted on p. 7)
- 86% of people with a non school qualification are in the labour force compared with 71% of those without one (people aged 25-64)

