

Year13 Pty Ltd – Vocation Education and Training Review Submission

What is working well in the VET sector?

Focusing on other sections.

What are the key challenges in the VET sector?

Whilst there are a number of challenges facing the VET sector, one of the key issues that I see impacting VET's future success (and Australia as a whole) is the attraction of youth into the sector and into skills-based occupations. The engagement and attraction of youth is something that Year13 is intimately connected to and has researched thoroughly, thus I will keep this submission predominantly to this topic of expertise. Many of the statistics and statements referenced here are taken from Year13's research report, *After the ATAR*, which is attached to this submission.

Current school leavers are struggling with the transitional journey from high school into the next phase of their lives more than ever. There are a number of reasons for this, however some key factors include the high school system being structured around academic achievement, the prevalence of the ATAR system, and the lack of adequate preparation for life outside of high school. This is permeating into wider societal issues, evident through the Australian youth unemployment rate (13.3%) sitting at over double the national average, youth mental health issues on a steep incline (1 in 4 qualifying for serious probable serious mental illness), and almost half of all students graduating high school without any idea of what they want to do when they finish school (43%).

To understand the challenges of attracting youth into the VET sector, we first need to look at the decision-making processes that influence young people's career decisions. For example, one of the key pieces of research taken from Year13's *'After the ATAR'* report highlighted that 3 out of 4 students don't consider an apprenticeship when they finish school. This means that 75% of school leavers are not even looking at apprenticeships as a potential pathway, dramatically reducing the talent pool and pipeline for key occupations, such as those trade roles are experiencing a national skills shortage. With clear employment opportunities, growth potential, earning potential and the stability of an apprenticeship, what is leading so many young people to discount this pathway before they even explore it?

Year13 has worked off this key finding to understand how we can better attract Australian youth into VET pathways, apprenticeships and traineeships. To do so, Year13 broke down young people's decision-making processes into three major phases:

1. Understanding – The first step for a young person is to understand the top-level details of what a particular pathway involves and see if this aligns to their individual values and interests.

2. Consideration – If the young person is still interested in a pathway and a base level of understanding is achieved, they move into the consideration phase, gathering more detail and weighing this against alternatives. Both the ease of access to and the engaging nature of the information has a large impact on the success of this phase.
3. Decision – With an increased level of understanding, the individual has an increased level of confidence. Assuming this aligns to their values, an independent decision can now be made. However, follow through on this decision is highly dependent upon the process required to enter that particular pathway; a simple process will increase confidence, while confusion while pursuing a pathway will increase doubt.

These three phases relate directly to the challenges the VET sector is facing:

The ATAR

The reason I start with the ATAR as the first point of influence is due to the ripple effect it has on other influences in young people's decision-making process. While the ATAR is upheld as the core measurement of success for school leavers, this will continue to send a fundamental message to youth, schools and parents that the ATAR is they should be focussing time and energy on. Currently the ATAR is a purely academic measurement and used primarily as a means of gaining entry to university.

The significant focus towards ATAR has two detrimental effects towards the VET sector. Firstly, it puts universities and bachelor's degrees on a higher pedestal and signals that these pathways should be the goal school students strive towards. Secondly, the ATAR devalues non-academic skills due to lack of measurement and disregards the demand for these skills in the workforce and the value of skills-based occupations. This combination discredits the VET sector as a whole and, in particular, maintains a false impression that academia is the only pathway to success.

High Schools

The high school environment has an intrinsic influence on how youth are currently making post-school decisions, which comes with a great deal of responsibility. This is not to say that high schools are to blame for devaluing the VET sector, however the fact that many schools are measured by their ability to drive ATAR scores, means that they are placing a large focus on academic success at the expense of other key areas of development. These are areas that young people need to successfully navigate the transitional journey from high school in order to become independent, contributing members of society. The current high school education landscape places a large focus on developing knowledge and skills that don't easily translate into the real world, leaving many young people with a lack of confidence in—as well as a fear of—their future.

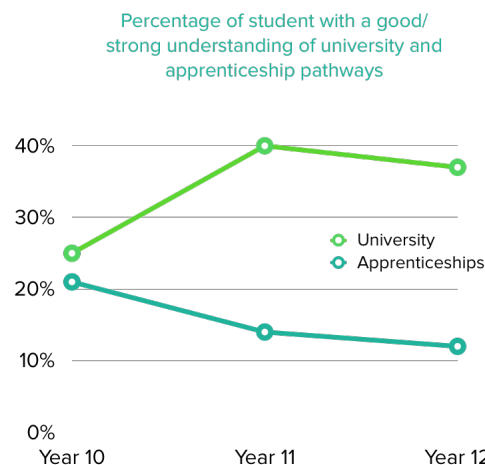
This kind of preparation for life after school has an important influence over students' decision-making process, however the way in which many high schools are currently approaching post-school preparation has yet more negative effects on VET sector

recruitment. With a lack of confidence in whether they will be able to succeed outside of the school system, many young people are becoming more conservative with their decision-making. This therefore increases the impact of external influences on their decisions (friends, parents, teachers, career advisors etc.) and results in more school leavers following the perceived ‘safer’ career option—this being university pathways.

Career Advice

With the overall drift towards university being perceived as the ‘best’ and ‘safest’ post-school pathway, a more holistic approach to career advice becomes even more important to the VET sector. Developing more comprehensive career advice comes back to the three phases of decision-making, in particular the first phase of understanding. Currently, young people lack a foundational understanding of the VET sector and in particular apprenticeships and traineeships. This lack of understanding results in a lack of consideration for that pathway and thus VET recruitment remains stagnant.

As you can see in the diagram below, students perceived understanding of university pathways sees an increase over the senior years of school, while apprenticeships see a consistent decline. Both pathways experience a concerning decline in understanding during Year 12 (most likely due to the focus on the ATAR), however, it is the significant gap between pathways that needs to be addressed in order to level playing field in pipelining talent and improve consideration of VET.



Brand and Marketing

Branding and marketing surrounding the VET sector, in particular around apprenticeships, poses a significant issue for attracting the quantity and quality of talent required for the future success of the sector. The final years of school is when many young people begin to make their first independent decisions and align these to their own personal brands, ideals and opinions away from that of their parents.

This is something that is well known by many brands and organisations, specifically targeting youth at this time in order to pipeline their future customers. This means that competition for engagement is high and not exclusive to people that are promoting post-schooling pathways, thus the standard and budget required to engage youth effectively increases. Universities have done an extremely good job in this department with strong branding, well thought out communication strategies and high budgets to communicate their messages consistently and effectively. If the VET sector is to compete for engagement with Australian youth, there needs to be cohesive messaging and branding consistently targeting students from a young age.

Whilst this is necessary for the wider VET sector, here I am going to focus on the apprenticeship space. In this area, there exists a large private market of employers hiring apprentices, however AASN and GTO Providers are also key players in the ecosystem. These providers face a number of challenges, including:

- Much smaller budgets than universities
- Their brand awareness with youth is very minimal
- Many only engage youth at the point of recruitment, rather than consistent messaging over time
- Many often don't have adequate internal resourcing
- Difficult for them to manage data effectively, leaving a poor customer experience for young people
- Up against competition for engagement, especially around key dates

This poses a challenge for the VET sector, as no matter how good results, resources and outcomes are, perception is still such a major influence on young people's decision-making process. Thus, in order for the VET sector to compete, the marketing and branding needs to be on par with that of universities.

Entry Process

The process of entering the VET sector is another major inhibitor for youth. As discussed earlier, school leavers already have a low level of confidence transitioning into post-school opportunities, meaning any doubt in the process of pursuing a particular pathway can further unsettle this demographic.

Universities have a robust system in place that ensures students are pipelined from high school through tertiary admission centres in each state (e.g. UAC for NSW & ACT), providing a universal and transparent entry process that increases confidence levels for both student and parent. With no centralised VET recruitment system, and each provider having their own requirements, this can make pursuing vocational pathways more difficult for school leavers.

What changes would you make to the VET sector?

Whilst there are a number of changes that could be put forward, Year13 would like to focus on the apprenticeship system specifically and suggest 4 key changes to this sector:

1. Increase understanding of the VET sector and awareness of AASN providers / GTOs - National marketing Campaign
2. National (non-government) apprenticeships jobs board for youth
3. Upgraded application process / system
4. Clear strategy

With an established national skills shortage, apprenticeships provide an ideal solution to filling trade job vacancies domestically. Year13's focus is on changes that will encourage youth to be a solution in filling the skills gaps.

1. Increase understanding and consideration amongst youth

As aforementioned, educating youth about VET is pivotal if we are to ensure the future success of the sector. This is largely dependent upon the communication strategies targeted towards young people and the potential engagement we can foster. With VET falling behind and resulting in issues such as skills shortages country-wide, a national marketing campaign needs to be considered.

Year13 would like to see this broken up into two clear objectives that align to the first two phases of the decision-making process.

Phase 1: The first phase would involve a national marketing campaign focused on increasing young people's understanding of apprenticeships and the positive outcomes that can be achieved through this pathway. Year13's research has revealed that key pieces of information—such as apprenticeships having the potential to graduate over \$150,000 financially ahead of bachelor degree graduates when taking into consideration wages earned and money spent on education (After the ATAR)—can increase consideration of that pathway by up to 82%.

It has been shown that a large inhibitor for the sector in recruiting talent is a lack of confidence as a reliable choice for future success. The best way to combat this is through educational promotion, with clear messaging and engaging branding. The Commonwealth's 'Real Skills for Real Careers' initiative was successful in increasing the brand awareness of VET pathways amongst a youth demographic, providing a proven framework that needs to be scaled out. Improvements to do this initiative include increasing the scope and having a bigger focus on apprenticeships, or alternatively a separate initiative for apprenticeships.

Phase 2: The second phase would be focused on increasing the level of consideration of VET pathways. This is where the 'Real Skills for Real Careers' initiative could be taken even

further to maximise the impact of the promotional initiatives. Increasing consideration is based on increasing the level of confidence in a given pathway, which means raising awareness of those employers and educators that can facilitate the transition into VET pathways.

The university sector is successful in this regard, with strong institutional university brands pairing themselves with top tier organisations to create a clear 'pathway to success'. Unfortunately, AASN and GTO providers are not well known by youth and as such it is difficult to provide the same perception of quality. Year13 is uniquely placed to comment on this due to the work we do with both higher education and VET providers, and the youth engagement we experience with each through our channels.

Each apprenticeship provider is currently undertaking their own marketing and communication campaigns, with varying levels of quality and success. With many of these organisations holding government contracts, it would be far more effective and cost efficient to roll these into a national marketing campaign to promote these providers on their behalf. This would mean that there would be a cohesive message and a larger audience to gain expressions of interests that both AASN and GTO providers could benefit from.

2. National (non-government) apprenticeships jobs board for youth

As previously highlighted, part of the problem that youth face in gaining an apprenticeship is the entry process, and in particular when youth are looking to gain an apprenticeship outside of an employer within their immediate network. Without an established national apprenticeship jobs board, the current landscape involves many AASN and GTOs having their own jobs board and/or then relying on companies such as SEEK and Indeed to gain reach and exposure to their available roles. This is exacerbated by private employers not knowing where to go to post apprenticeship opportunities, thus limiting the reach of their job opportunities within the youth market.

With a strong national marketing campaign, we can create a single destination that young people seeking apprenticeship opportunities may be directed. This would simplify the process for youth and employers, whilst also consolidating the data and management processes of attracting youth.

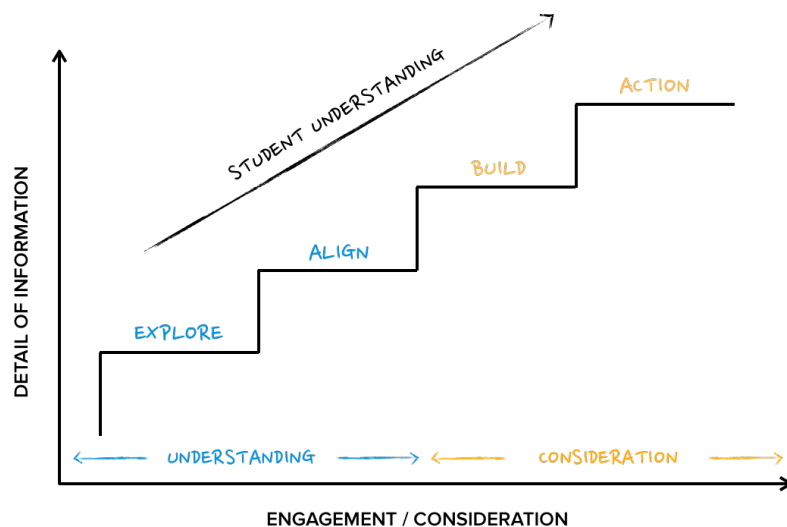
The reason as to why we would recommend the platform to be non-government owned is due to the fact that a high level of youth engagement would be required for the website to be functional. It has been very well documented that Australian youth disengage from Government websites (e.g. *Effective Communication with Young People, Australian Government Office for Youth, 2009*), thus Year13 would recommend seeking already established channels that have a proven track record for reaching and engaging Australian youth around VET and apprenticeship opportunities. This would enable a quicker release to market, hedge against risk and reduce the cost associated to building a brand and audience.

3. Upgraded application / follow up process

The process of applying for an apprenticeship opportunity needs to be upgraded in order to ensure we are maximising the user experience and subsequent confidence in any vocational pathway. Much of this revolves around the way in which data is maintained and communication is managed. Each person that is interested in an apprenticeship pathway needs to be managed on an individual level, with clear communication regarding the progress of their application, what they need to do next, if they have had a successful outcome and how this impacts their choices. This is something that is very clear throughout the university admission process, however is difficult to replicate with the apprenticeship entry process due to the scattered nature of applications. It would be encouraged to use technology to assist in this process, focusing on automation to enable high quality communication at scale.

4. Clear Strategy:

As aforementioned, the VET sector faces a number of challenges when it comes to recruiting high quality and quantities of talent. The VET sector is filled with high-performing organisations that fulfil a certain segment of the market and by bringing these together cohesively, the VET sector can outperform any other. Year13 has developed a strategy that brings together the recommended changes above and placed them into a framework that can be easily followed and communicated. Year13 had based this on the three key phases of the decision-making process.



The above diagram is what Year13 calls an 'Engagement ladder', and is used internally as a framework for communication strategies. This is a simple way of structuring our approach to communicating and engaging with youth about career decisions. On the y-axis, you have the level of detail in the communication piece, and on the x-axis you have the level of engagement the individual has with a particular pathway opportunity. The four steps of Explore, Align, Build and Action represent the distinct phases of gathering knowledge that any young person goes through when making a decision. Year13 has used this as an

example to create an effective and cohesive strategy that looks at the entire decision-making process, rather than just one single segment.

Increasing Understanding

The ATAR, high schools and career advice are current inhibitors for the VET sector as they are not structured to increase the understanding of what VET has to offer. This is where it is important to break these larger challenges into bite-size problems that can be solved through effective strategy and initiatives. Assuming we cannot immediately change the way the high school system is structured, the responsibility falls to other stakeholders within the sector to rise up and provide the education youth need.

Year13 has broken increasing student understanding into two sub-phases of 'explore' and 'align'. These are designed to give the foundational understanding of what a certain pathway looks like.

Explore phase: The first step in the Engagement Ladder is 'explore'. Here, young people are encouraged to engage in and explore their career from an industry viewpoint in a non-biased setting. The 'explore' stage takes time, and Year13 would argue that this needs to start prior to Year 10, so high school students don't feel pressure to make decisions hastily.

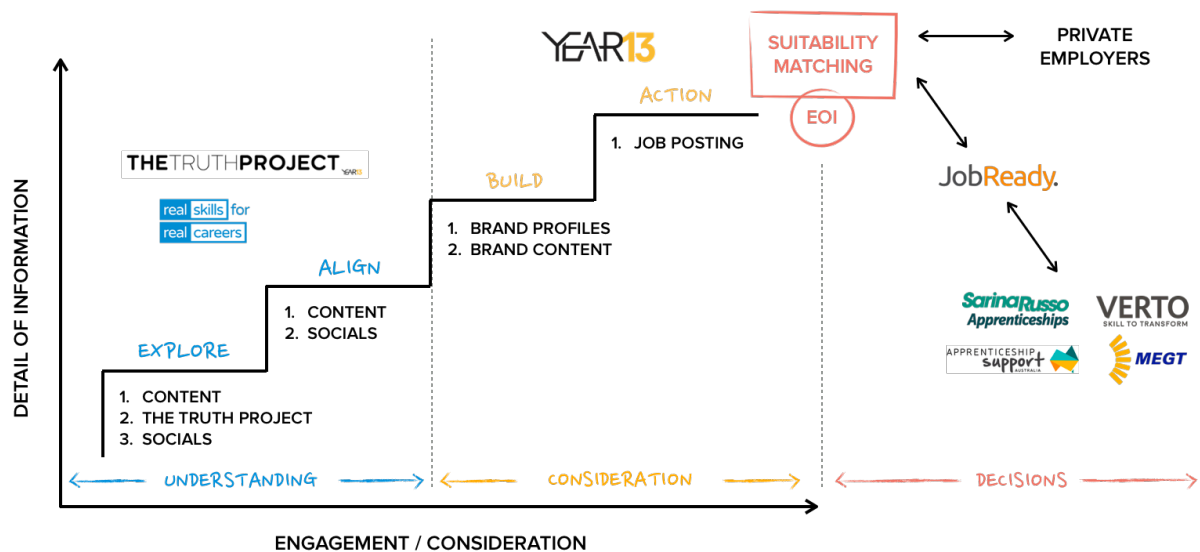
Align phase: Once the young person has explored their options, it is important to support their alignment to the industries they are naturally drawn to. Before looking at what employer or educator will suit them best, the individual first needs to align to industries that are of interest to them.

It is important to ensure that during this alignment stage, young people are not pressured to make decisions. Young people must be given the freedom to engage in industries in what appears to be the most natural way possible.

Increasing Consideration

Build phase: Once a young person aligns to an industry and occupation, building their understanding of the employers and educators that facilitate that pathway is vital to understanding which avenue is most appropriate for them and their needs/ interests. The connection between employment and education within an industry is important to understand objectively in order to develop a career plan.

Action: With a detailed understanding of the brands that facilitate the pathway opportunity, it is then important for the individual to be aware of the types of roles available and the roles and tasks that this entails. Many young people may not be ready to apply for a job straight away, but understanding the requirements of a job is important in visualising whether it aligns to their values.



The above diagram highlights how the various challenges and changes highlighted throughout this submission can be brought together in a cohesive strategy. This strategy is how Year13 would recommend addressing the serious issue of attracting youth into the sector.

To explain this strategy in more detail, the understanding phase is focused on a more traditional communications campaign strategy, designed to reach and engage the target market. Here, we have used the *Real Skills for Real Careers* initiative as the example, but could be expanded to include more above-the-line initiatives like TV and radio. We have attached an initiative that Year13 delivers directly into high schools called 'The Truth Project' to this submission to provide an example of the impact highly engaging, education-focused content can have on young people's decision-making.

The consideration phase is focused on helping youth understand the employers and educators that can facilitate the pathway opportunity the individual is aligned to. We have used the Year13 platform as the example for the national apprenticeships job board for youth as we are the leading online platform for school leavers transitioning from high school into further education, employment and travel – but this could be housed on another established platform if perceived as a better fit. Here it is important to facilitate a

connection between the types of organisations that can employ youth and the job opportunities that are currently available. This would give the individual an idea of locations, salary expectations and the types of roles/tasks that can be expected from gaining employment. Year13 uses the combination of employer profiles and job listings to give youth an understanding of the culture behind an organisation as well as the specific details of a role description. This is important in order to set the expectations for the applicant upfront and build trust between the eventual employer and the young person. Many organisations are only focusing on communication during the short window of recruitment, whereas long term communication is needed to build adequate trust and excitement about apprenticeship providers and compete against established universities. Just like universities, we would build up the AASN and GTO brands to be the premium organisations for ensuring future success and highlight the top tier employers that these organisations are partnered with.

Once the decision to pursue a VET pathway is made, it is important to look at how the customer experience is handled from this point. As mentioned previously, there are some very high performing organisations in the space that, when brought together, can make a meaningful impact. By having a national apprenticeship jobs board, this allows for a consolidated data set and medium for communication to the youth that apply for jobs or otherwise express interest in particular roles.

Using Year13 as the working example, this would allow us to understand where in the decision-making journey the individual is at and engage with that individual in the most effective way. Once the individual is ready to make action and wants to engage in the process of starting an apprenticeship, a quick analysis of the user demographics would allow Year13 to pipeline the applicant into the most effective GTO, AASN or private employer.

To do this, Year13 has highlighted an organisation called JobReady which supplies the compliance management software to many of the GTOs and AASN providers in the VET space. Year13 would be able to partner with JobReady (we already have a working relationship) or similar organisations which would be the connecting point between the Year13 platform and the providers. This would enable ease of data transfer between the GTO/AASN provider and the young person, allowing unsuccessful applicants to go back into the Year13 network in attempt to find an alternative opportunity. The reason this is important is to keep the communication lines between the young person and their application as transparent as possible and increase confidence along the way. Customer experience is extremely important at raising the brand perception of the space and communication with youth needs to be of the highest quality and consistency.

Year13 is an organisation that represents young people and it is in the best interest of young people that the VET sector is as strong as possible. Opportunities need to be explored based on merit and alignment to an individual's values, rather than from external influences of opinion. Year13 hopes that the VET review is successful in solving some of the challenges facing the sector and hopes that some of these suggested changes are helpful in creating meaningful change.

How can VET help Australians prepare for the future workforce (as industry requirements and job patterns change)?

Focusing on other sections.