

CHARLES DARWIN UNIVERSITY

Submission to: Australian Government Department of Prime
Minister and Cabinet

Re: Vocational Education and Training Review

Office of the Vice-Chancellor/ Charles Darwin University / Darwin NT 0909/ vc@cdu.edu.au

January 2019

Overview of submission

Charles Darwin University (CDU) is a dual-sector university and through its Vocational Education and Training Faculty (CDU VET) is the largest public provider in the Northern Territory (NT), and addresses the training needs of industry, government, and community across Northern and Central Australia, and our regional Asia Pacific neighbours.

CDU welcomes the opportunity to contribute to the Australian Vocational Education and Training Review. Our contribution focuses on the opportunities and challenges of our regional and remote environment, our distributed and diverse student cohort, and the expectations and responsibilities of a large public provider.

The overview summarises key points in this document and recommendation, with details provided in the body of the submission.

Positive attributes of VET in the NT

- Regional and remote VET is in-demand, and will continue to be in the future.
- Public provision of VET supports low socio-economic student engagement in tertiary education, which is essential for national employment outcomes.
- Public provision of VET is locally responsible, developing sustainable skills and employment opportunities in regional and remote locations.
- Public provision of VET in regional and remote locations supports students to become more than technically competent – VET graduates develop employability skills, improve their language, literacy, and numeracy (LL&N), and share knowledge and skills with family and community, developing an appetite for continuous education engagement.

Key challenges

- Expectations of public providers remains high, but funding has contracted, creating a significant socio-economic risk to regional and remote locations.
- Digital literacy and LL&N student capabilities are highly diverse in regional and remote contexts, and must be supported at all levels in the VET system.
- Clarity is needed on what the focus and incentive of a competitive market provides to stakeholders.
- Our ability to enact our strategic plans and deliver for the future is significantly hindered by current funding models.
- VET Trainers are part of the skills shortage, and the barriers are only getting bigger.
- Iterative VET policy changes create change fatigue, absorbing considerable resource and impacting student experience.
- Student financial support does not align to regional and remote workforce training demand.
- There's a competitive market mindset, but not a process – improvements must be made to allow speed to market for future course delivery.
- Our value proposition to students needs to be orientated around resilience and optimism, not fear.

Recommendations to key changes to the VET system

CDU recommends that improvements to the VET system should be oriented around a single, cohesive vision for VET in Australia.

Such a vision would articulate:

- The roles and responsibilities of stakeholders in alignment to the strategy including students, industry, Governments, other funding bodies, different types of RTO's, and regulators.
- A national VET trainer recruitment strategy, including reducing barriers to transition from industry into a VET trainer occupation, without compromising quality.
- A national student recruitment strategy that:
 - considers the value proposition we offer to students regarding future occupations and employment practices;
 - improves financial barriers to participation for Certificate level qualifications;
 - maintains critical student support funding, acknowledging the future is different for everyone, but increasing tertiary education participation for everyone is critical for national employment and socio-economic outcomes.
- A national VET futures strategy that:
 - Extends funding contract periods, allowing RTO's to invoke critical long-term strategies that support sustainable outcomes for their regions;
 - Includes recurrent innovation funding to allow RTO's to resource future development and innovations that are reflected in industry;
 - Defines a clear vision for applied research in the VET sector;
 - Improve regulatory processes, enhancing speed to market for new and innovative qualifications, without compromising quality.
- A funding model that has a holistic rationale, ensuring RTO funding is appropriate for the delivery standards required by the regulator.
- An implementation roadmap with reasonable milestones, support, and investment, acknowledging the time and resource it takes RTO's to implement major change, and the effects it can have to student experience.

Introduction to CDU VET

CDU is a dual sector University, delivering vocational and higher education across the NT, Australia, and the Asia Pacific region.

CDU VET delivers 138 courses¹ to our students from industry and the community, and is an exemplar public provider, demonstrated by the quality and employability of its graduates, its national award-winning apprentices and trainees, and its remote delivery models.

The CDU VET student cohort makes up approximately half of total CDU students, and is highly diverse. Of our approximate 10,000 students in 2017²:

- 31% were Aboriginal and Torres Strait Islander
- 23% were from low SES backgrounds
- 26% lived in remote/very remote areas
- 30% had a non-English Speaking background
- 58% were over 25 years old
- 27% were female
- 39% had not completed year 12³
- 3,209 were apprentices and trainees
- 1,750 were VET for Secondary School students

CDU VET delivers training across 145 distinct locations.⁴ This includes five campuses with large scale facilities, including two restaurants with commercial cookery and hospitality facilities, two large-scale Trades facilities, a cattle stud farm and rural operations facilities, a turtle sanctuary and aquaculture and horticulture facilities, a hair and beauty salon, and a simulated hospital environment. CDU VET is also co-located with government and business in four regional and remote locations, and delivers training across many remote communities and stations. CDU VET also delivers offshore international training in Timor-Leste.

What is working well in the VET sector?

VET trained employees are, and continue to be, in high demand in regional and remote locations

Regional and remote areas such as the NT rely heavily on employees with a vocational education background. More than 70% of occupations filled in the NT at the 2016 census required a VET qualification from a Certificate I to Advanced Diploma.⁵

The 2018 Northern Territory Skilled Occupation Priority list⁶ indicates that almost 60% of occupations identified through industry recognition and government economic modelling, require employees with a VET qualification.

Labour market projections for the NT from 2018 to 2023 indicate the top five employment growth sectors will require occupations with VET qualifications. Skill level employment projections to 2023 also show cumulatively there is a 21.4% growth rate for employees requiring a VET qualification, from Certificate I to Advanced Diploma.⁷

¹ Charles Darwin University. (2019). *CDU Course Catalogue*. Retrieved from: <https://cdu.edu.au/courses> accessed 7/01/2019

² Charles Darwin University. (2018). *Charles Darwin University Annual Report 2017*. Retrieved from: <http://www.cdu.edu.au/sites/default/files/about/docs/cdu-annual-report-2017-year-in-reveiw.pdf>, accessed 9/01/19

³ This figure does not include VET for Secondary School Students

⁴ Charles Darwin University. (2018). *Charles Darwin University Annual Report 2017*. Retrieved from: <http://www.cdu.edu.au/sites/default/files/about/docs/cdu-annual-report-2017-year-in-reveiw.pdf>, accessed 9/01/19

⁵ Australian Bureau of Statistics. (2018). *2016 Census Community Profiles – Northern Territory*. Retrieved from: http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/communityprofile/7?opendocument, accessed 9/01/19

⁶ Northern Territory Government. (2018) *Hard to fill jobs in the NT*. Retrieved from: <https://nt.gov.au/employ/for-employers-in-nt/hard-to-fill-jobs-in-the-nt>, accessed 9/01/19

⁷ Australian Government Department of Jobs and Small Business. (2018). *Labour Market Information Portal*. Retrieved from: <http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections>, accessed 8/01/2019.

Public provision of VET that is connected to local industry demand produces highly employable graduates. In 2017, 86.9% of CDU VET graduates were identified as being employed within four months of graduation.⁸

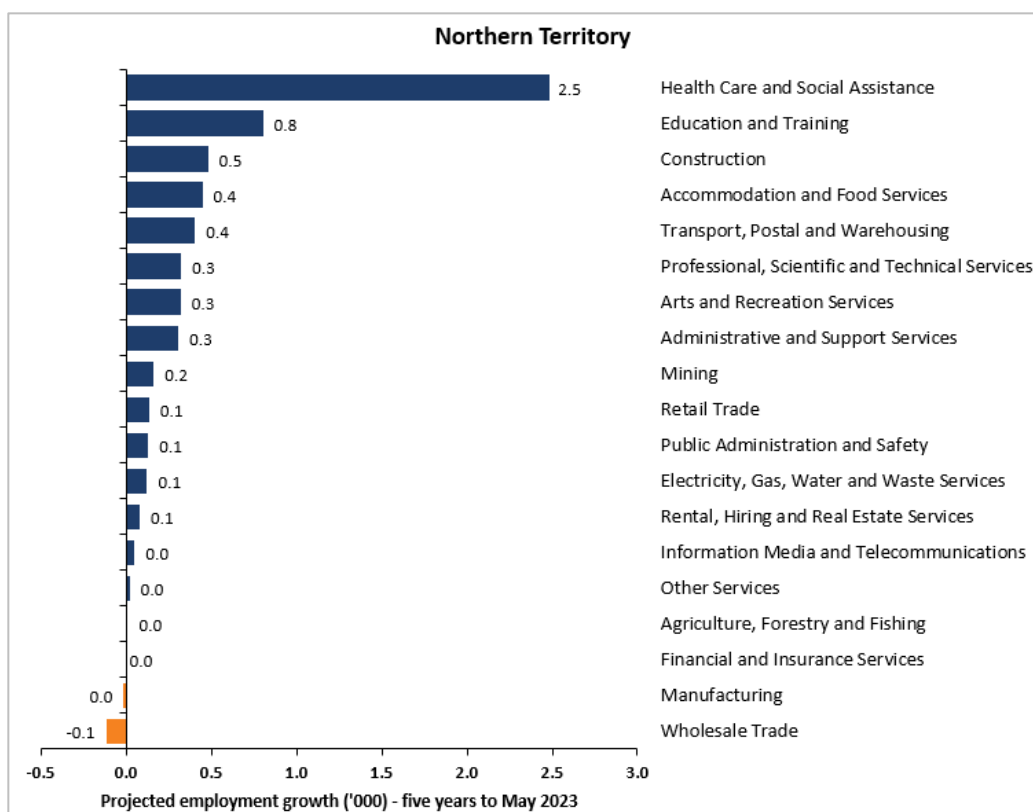


Figure 1 Projected regional employment growth by Industry - five years to May 2023
 Source: Labour Market Information Portal, Australian Department of Jobs and Small Business:
<http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections>

Public provision of VET supports low SES student engagement in tertiary education, which is essential for national employment outcomes

While CDU advocates access and opportunity to both higher education and vocational education across the NT, VET is known to be an important tertiary education option in areas of socio-economic disadvantage. Public provision of VET supplies concise education opportunities directly linked to industry areas with local employment demand. This is evidenced in the Innovative Research Universities recent analysis of the Longitudinal Survey of Australian Youth data⁹, identifying that take-up of VET qualifications is strongest in the bottom three socio-economic quintiles.

⁸ Charles Darwin University. (2018). *Charles Darwin University Annual Report 2017*. Retrieved from: <http://www.cdu.edu.au/sites/default/files/about/docs/cdu-annual-report-2017-year-in-reveiw.pdf>, accessed 9/01/19

⁹ Innovative Research Universities. (2018). *Towards a tertiary future*. Retrieved from: https://www.iru.edu.au/executive_director/towards-a-tertiary-future/, accessed 19/12/18

Socio-economic disadvantage crosses the breadth of the NT, in particular regional and remote communities, of which there are almost 80. CDU VET delivers 17.5% of its training to remote and very remote locations, resulting in 484,890 hours of on-site training.¹⁰

Robust public VET systems in areas of socio-economic disadvantage are critical to ensuring broader participation in tertiary education to gain employment or undertake further study. This is critical in an education and employment future where a

culture of lifelong learning will be necessary to support continuous upskilling and re-skilling¹¹, in an environment where most people will require a post-secondary qualification to improve their socio-economic outcomes.¹²

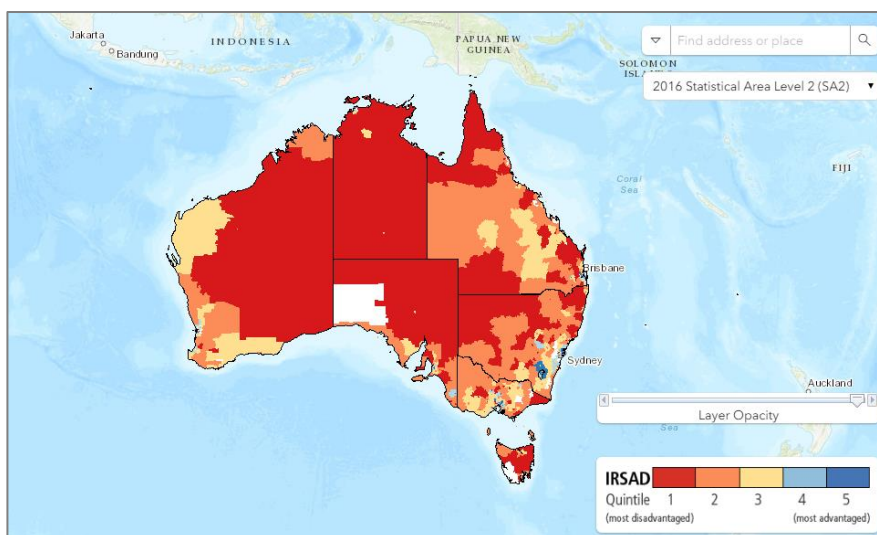


Figure 2: Index of Relative Socio-economic Disadvantage interactive map, Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016, Australian Bureau of Statistics

Public provision of VET is locally responsible, and develops sustainable skills and employment opportunities in regional and remote locations

Public provision of VET is locally responsible to government, industry and community, ensuring sustainable skills are developed within the NT and in partnership with our Asia Pacific neighbours.

This is evidenced not only by CDU VET's alignment to industry demand, but also the correct certification level that is required within the Northern Territory Skilled Occupation Priority List. An analysis of RTO's operating in the NT from the MySkills government resource¹³ indicates public provider delivery focuses around the Certificate III qualification level, in line with qualification requirements identified in the Northern Territory Skilled Occupation Priority List.

¹⁰ Charles Darwin University. (2018). *Charles Darwin University Annual Report 2017*. Retrieved from: <http://www.cdu.edu.au/sites/default/files/about/docs/cdu-annual-report-2017-year-in-reveiw.pdf>, accessed 9/01/19

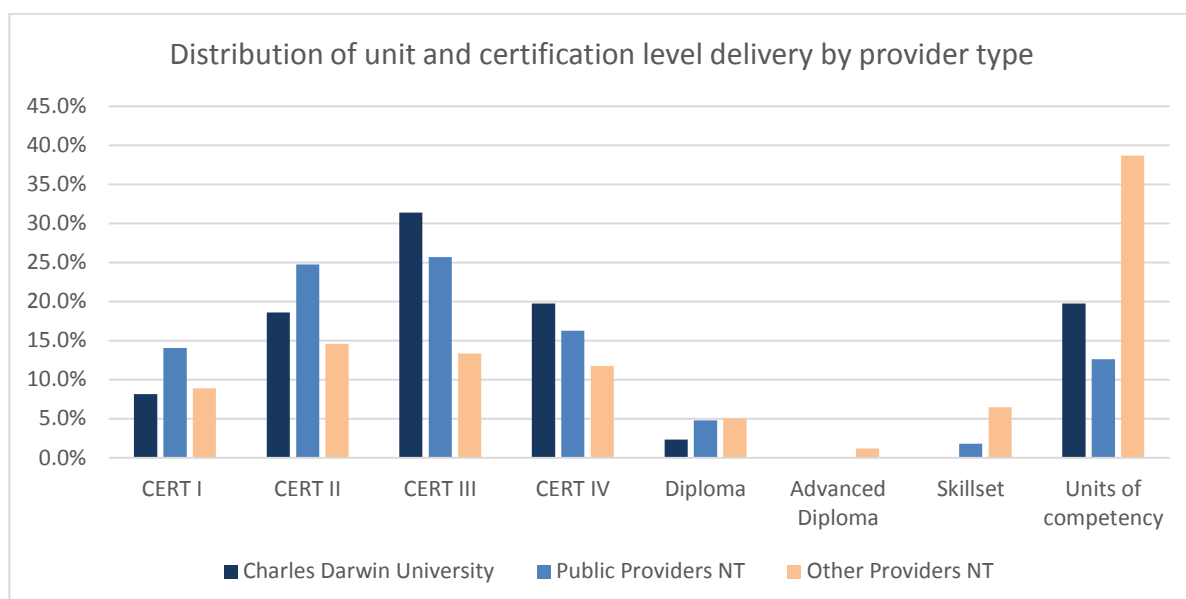
¹¹ Business Council of Australia. (2018). *Future-Proof: Australia's future post-secondary education and skills system*. Retrieved from: <http://legacy.bca.com.au/publications/future-proof-australias-future-post-secondary-education-and-skills-system>, accessed 19/12/18

¹² Innovative Research Universities. (2018). *Towards a tertiary future*. Retrieved from: https://www.iru.edu.au/executive_director/towards-a-tertiary-future/, accessed 19/12/18

¹³ Australian Department of Education and Training. (2018). *MySkills – Training provider search – Northern Territory*. Retrieved from: <https://www.myskills.gov.au/registeredtrainers/search/?keywords=&locationID=15658>, accessed 17/12/18

Note – this does not include interstate providers who were provided with government funding to provide training in the Northern Territory, or registered RTO's delivering wholly online training nationally.

Table 1 Average distribution of delivery by provider type and qualification level.



Source: Australian Government Department of Education and Training MySkills:
<https://www.myskills.gov.au/registeredtrainers/search/?keywords=&locationID=15658>

Table 2 Distribution of role type by ANZSCO code, 2018 Northern Territory Skilled Occupation Priority List

ANZSCO Qualification requirement	No. of identified roles	% of total identified roles (for VET qualifications only)
CERT I or compulsory secondary	7	6%
CERT II or III	36	32%
CERT III or IV	43	38%
Associate degree, advanced diploma, diploma	27	24%
Bachelor degree or higher qualification	79	n/a

Locally responsible, public provision of vocational education is also reflected in our student demographics, when compared to the broader Northern Territory population. Table 3 compares the 2016 Australian census demographic breakdown of the Northern Territory, and compares it against the CDU VET 2016 student demographic. . This comparison demonstrates that CDU VET is very accessible to students from disadvantaged backgrounds, when given the support and opportunity they need to participate in vocational education.

Table 3 Comparison of 2016 Census data for the Northern Territory, and the CDU VET 2016 student population

Parameter	Northern Territory Population – ABS 2016 Data ¹⁴	CDU VET Student breakdown – 2016 figures
Aboriginal and Torres Strait Islander	30%	30%
Have not completed Year 12	26%	43%
Low SES	24%	22% ¹⁵
Remote/very remote locality	40%	21%
Non-English Speaking Background	34%	32%
Female	48%	41%
Mature Age (25 years and older old)	63%	61%

Public provision of VET is more than developing technical competency

Public vocational education that is industry led and well-funded to support student outcomes delivers technical and skill focused outcomes, contributes to life skills and development, and embeds an appetite and culture of continued learning into families and communities. Comprehensive student outcomes are achieved through training delivery, and the wide range of equity access services CDU, and other public providers, offer.

CDU VET recently commissioned a review of its remote Indigenous VET programs, *Ready for work*. The review considered case studies of innovative remote Indigenous VET training models, identifying improvements and the professional development VET educators require to deliver remote training.

The report identifies the range of values a VET education provides in remote and regional community settings. This includes scaffolded learning to enhance language, literacy and numeracy skills, soft-skill development and confidence building, broadening life skills through educational activities, technical and employability skills, and sharing knowledge and skills onto family and community. Student development comes from their immediate trainers and technical vocation, being immersed in the VET support ecosystem of professional and education staff, and broader campus life. A recent reflection from a mixed campus/remote delivery program in horticulture identified this clearly:

The people in the café, at the accommodation, running the AFB [away from base] program – they all contributed to their learning experience. I call this inside/outside training where the women learned new skills and knowledge in their own environment and broader skills and knowledge in their new environment. It was so much more than horticulture¹⁶

In 2018 CDU apprentices and trainees had great success on the local and national stage. Trainers ensure emphasis is placed on students taking responsibility and ownership for their education and future, providing dedicated support to ensure they have the tools and knowledge they need to succeed. The benefits of this approach are evident in recent award winners, and the appreciation they have for the VET education system: Two examples include:

- Kimberley Brewster - 2018 NT and Australian Trainee of the Year, 2018 NT and Australian Training Awards. Kimberley is a young Gurindji woman and mother of two, who after securing a traineeship at ConocoPhillips and completing a business qualification took out the National Award this year. Kimberley sees vocational education as being empowering not just through technical skill development, but personal development which further enhances her employability.

¹⁴ Australian Bureau of Statistics. (2019) Retrieved from: <http://www.abs.gov.au/>, accessed 7/01/19.

Data sources include:

- 3238.0.55.001 - Estimates of Aboriginal and Torres Strait Islander Australians, June 2016
- 2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016
- 2016 Census Community Profiles – Northern Territory

¹⁵ Course enrolment figures from Charles Darwin University. (2018). *Charles Darwin University Annual Report 2017*. Retrieved from: <http://www.cdu.edu.au/sites/default/files/about/docs/cdu-annual-report-2017-year-in-reveiw.pdf>, accessed 23/01/19

¹⁶ Dr Melinda Waters (2019) *Ready for work*.

My whole life has changed since starting the traineeship, from my expectations to the way I communicate. I have gradually taken on additional responsibilities as my skills and knowledge have developed.

<https://www.cdu.edu.au/enews/stories/brewster-ata>

- Nathan Powell – 2018 NT Apprentice of the Year, 2018 NT Training Awards. Nathan is a mature age graduate who moved from the police force into electrotechnology, and has had a very rewarding experience through his participation in the vocational education system.

It has been outstanding. After 37 years of my life, I finally found a way of training that suited the way I learned. The CDU lecturers were outstanding and able to adapt to most people in the class in relation to their learning style. A few doors have opened up in areas that I did not think about heading. It has been a really exciting time and one I plan to use wisely to promote VET.

<https://www.cdu.edu.au/cdu-vet/news/AwardSuccessforCDUApprentices>

As a dual sector University, CDU can see first-hand where VET provides the foundations to a culture of lifelong learning and complements higher education, providing a competitive edge to students into their desired workforce, or supporting employability options for students who desire an alternate exit pathway:

- Between 2016 and 2017 CDU saw the basis of admission of 'VET' into CDU undergraduate courses increase by 14.6%, accounting for 8.7% of CDU HE 2017 enrolments¹⁷
- CDU recently completed a VET recognition of prior learning mapping from a first year Bachelor of Nursing, to a Certificate III in Health Service Assistance. Students studying nursing can enter the workforce as a nursing assistant while continuing their higher education studies, building their educational and practical skills and developing a competitive edge for future employability following graduation. This approach has the potential to be replicated across other disciplines.
- CDU is currently investigating how integrated vocational and higher education design can support attrition and alternate exit pathways. Undergraduate students who do not complete an undergraduate degree may be eligible to access a VET qualification to support their future employability.

What are the key challenges in the VET sector?

Expectations of public providers have not changed, but funding has

While funding has become increasingly competitive, the perception and responsibilities of a public VET provider have not changed. Public providers continue to be expected to:

- Supply training where there is low volume, niche areas where access to quality training is required, but profit is low or absent;
- Provide swift, competent retraining responses to industry restructuring that involves job losses;
- Provide stewardship of large scale public assets that represent long term community investment in training;
- Maintain small campuses that meet local need, which are viable only with cross-subsidisation or specific purpose funding.

While CDU VET accepts these obligations, and continues to strategically reposition itself to maintain economic and operational viability, it does so under the constraint of an increasingly competitive and shifting market.

Analysis of the top ten courses by delivery hour in 2017 delivered by CDU VET in Table 4 shows:

- In demand and specialised courses require significant infrastructure, and associated costs. Courses in the top ten are focused on trades, and other key areas that require infrastructure such as commercial cookery. Alternatively,

¹⁷ This does not include students who may hold a VET qualification, but did not use it as a basis for admission

areas like rural operations and early childcare require large amounts of travelling to utilise site specific infrastructure, which is also costly.

- CDU VET courses align with the course level requirements of the Northern Territory Skilled Occupation Priority List. 80% of courses in our top ten are Certificate III qualifications. Table 5 shows the most common courses taught by other NT based RTO's. 80% of delivery is at Certificate II level and lower, suggesting the volume of the market may be aligned to other priorities.
- CDU's delivery range for the NT is extensive – in ten out of 179 accredited qualifications delivered in 2017, CDU VET delivered to 56 unique locations, ranging from 1 to 39 locations per course. 89% of locations were remote, with 72% of locations classified as being very remote.¹⁸
- Four out of the 10 qualifications are only delivered by CDU VET in the NT. In reviewing the current MySkills data and comparing CDU delivered qualifications against other NT RTOs, 42% of qualifications taught at CDU VET are unique.¹⁹ This ranges from low volume, niche areas where access to quality training is required, to high demand, complex delivery for industry and community.

Table 4 Top ten courses by delivery hour for CDU VET 2017

Course	CDU AHC hours delivered	CDU Delivery locations	Count of non-public NT RTO's delivering the same course
Certificate III in Civil Construction Plant Operations RII30815	163,014	Adelaide River Ali Curung (Alekerenge/Warrabri) Blackmore River Conservation Reserve Borroloola Casuarina Campus Corroboree Park Elliott Gapuwiyak (Lake Evella) Milingimbi Ramingining (Murwanji) Tanami Mine Site	8
Certificate III in Electrotechnology Electrician UEE30811	112,280	Alice Springs Campus Casuarina Campus	0
Certificate III in Heavy Commercial Vehicle Mechanical Technology AUR31116	67,026	Casuarina Campus	0
Certificate III in Commercial Cookery SIT30816	64,246	Alice Springs Campus Palmerston Campus	2
Certificate III in Light Vehicle Mechanical Technology AUR30616	62,625	Alice Springs Campus Casuarina Campus Katherine Campus (Rural College) Kormilda College (Berrimah)	0
Certificate III in Early Childhood Education and Care CHC30113	56,263	Alice Springs Campus Alyangula Casuarina Campus Katherine (Town Centre) Milingimbi Ngukurr Nhulunbuy (Gove) Palmerston Campus Pine Creek Timber Creek Yulara	6

¹⁸ Australian Bureau of Statistics. (2019). *ABS Maps*. Retrieved from: <http://stat.abs.gov.au/itt/r.jsp?ABSMAPS>, accessed 11/01/19

¹⁹ Australian Department of Education and Training. (2018). MySkills – Training provider search – Northern Territory. Retrieved from: <https://www.myskills.gov.au/registeredtrainers/search/?keywords=&locationID=15658>, accessed 17/12/18

Note – this does not include interstate providers who were provided with government funding to provide training in the Northern Territory, or registered RTO's delivering wholly online training nationally.

Course	CDU AHC hours delivered	CDU Delivery locations	Count of non-public NT RTO's delivering the same course
Certificate III in Engineering - Fabrication Trade MEM30305	54,180	Alice Springs Campus Casuarina Campus	1
Certificate II in Spoken and Written English 10363NAT	54,000	Alice Springs Campus Casuarina Campus Palmerston Campus	1
Certificate III in Mobile Plant Technology AUR31216	49,313	Casuarina Campus	0
Certificate II in Rural Operations AHC21216	45,240	Anthony's Lagoon Auvergne Station Avon Downs Station Bajaminyi (Fish River) Barunga (Bamyili) Beswick (Wugular) Birringudu Bloodwood Downs Station Brunchilly Station Brunette Downs Station Bulman (Gulin Gulin/Mardrulk/Yulngu) Delamere Elliott Helen Springs Station Hodgson Downs Station (Minyeri) Inverway Station Kakadu National Park Katherine Campus (Rural College) Killarney Station Labelle Station Lajamanu (Hooker Creek) Manbulloo Station Manningrida Mataranka Minyerri School (Hodgson Downs Station) Mount Sanford Station Newry Station Nguui Ngukurr Numbulwar (Rose River) Pigeon Hole Station (Bunbidee) Ramingining (Murwanji) Riveren Station Ross River Resort Tennant Creek Victoria River Downs Station Yarralin Yingwunarra (Gulardi/Montejinni Station) Yulara	3



Figure 3 Map of unique delivery locations for top ten courses by delivery hour for CDU VET 2017

Table 5 Top ten qualifications/skillsets/units of competency, by volume of RTOs in the Northern Territory delivering identified training

Qualification/Skillset/Unit of competency	Count of non-public NT RTO's delivering courses ²⁰
Workplace Innovation Skill Set BSBSS00089	26
Prepare to work safely in the construction industry CPCCWHS1001	16
Certificate II in Business BSB20115	14
Provide cardiopulmonary resuscitation HLTAID001	14
Provide first aid HLTAID003	13
Certificate II in Skills for Work and Vocational Pathways FSK20113	11
Certificate IV in Leadership and Management BSB42015	11
Certificate I in Skills for Vocational Pathways FSK10213	10
Certificate II in Community Services CHC22015	10
Certificate III in Business Administration BSB30415	10

²⁰ Ibid.

Government funding and the competitive market has had a direct impact on public providers, demonstrated in the NT using the graph below, showing the change in government funded program enrolments over time, despite the total volume of enrolments being similar since the year 2000.

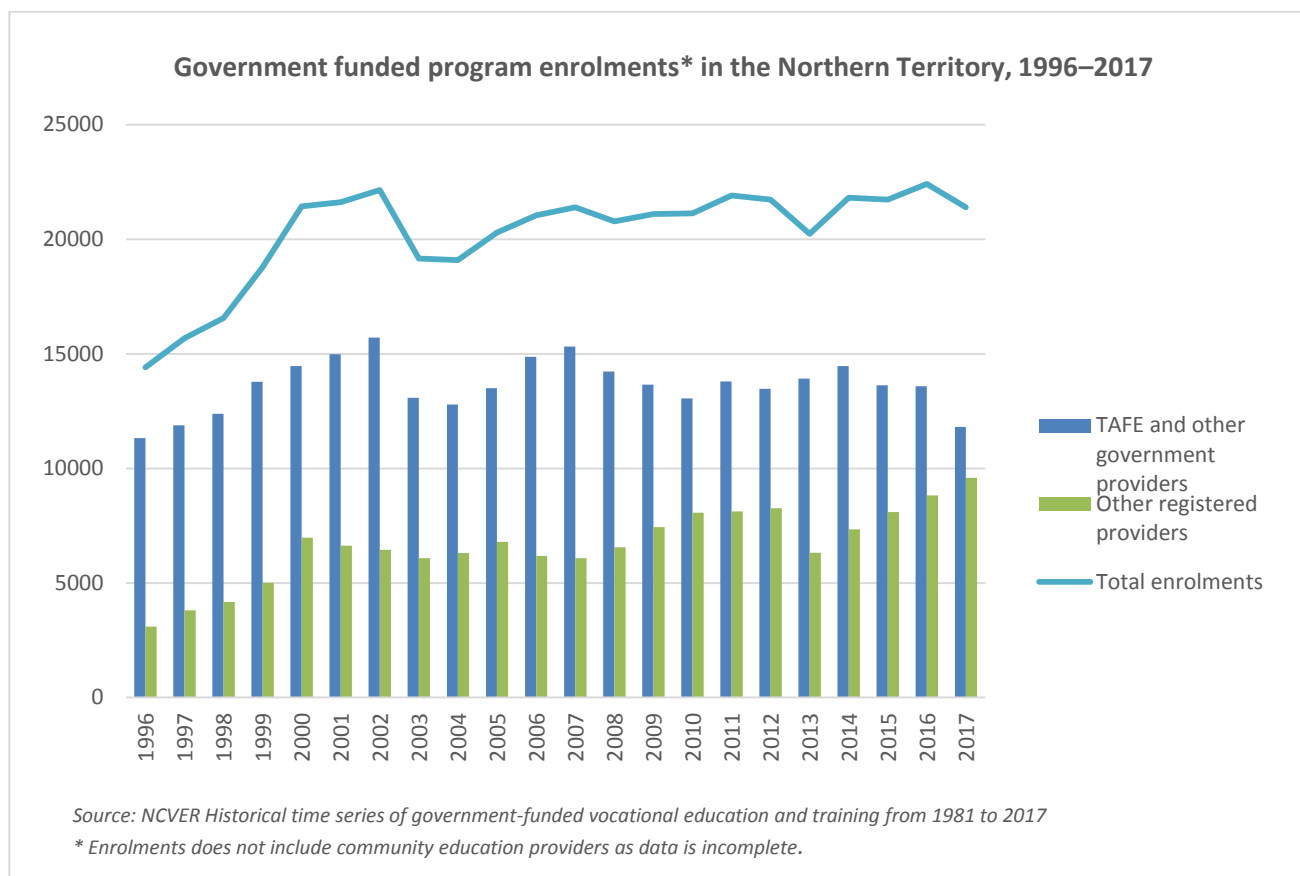


Figure 4 Government funded program enrolments in the Northern Territory, 1996-2017

Inadequate funding for public VET provision creates significant social and economic risk to the Northern Territory. It compromises the ability to deliver tertiary education opportunities to all Territorians, and runs the risk of developing a system misaligned to industry and government training delivery and employment needs.

The future means something different to everyone

As technology writer William Gibson wrote, and was recently reiterated by former Ambassador Jeffrey Bleich, “The future is already here, it just isn’t evenly distributed.”²¹ The diversity of CDU’s locations and student cohort means the spectrum of technological disruption, changes to hardware and infrastructure, and the level of engagement with new technologies by student, industry, trainer, and the community varies widely.

Educational attainment, engagement, and Language, Literacy and Numeracy and digital literacy capabilities of students entering CDU VET programs also vary widely. CDU ensures that it provides adequate support to cater for the spectrum of capabilities in these areas for improved student participation and outcomes.

²¹ Universities Australia. (2017). Higher Education Conference Keynote Address Ambassador (ret.) Jeff Bleich, retrieved from: <https://www.universitiesaustralia.edu.au/Media-and-Events/media-releases/Ambassador-Jeffrey-Bleich--Keynote-address>, accessed 14/01/19

CDU is as focussed on delivering training to help students prepare for a Certificate I to support local employment in a very remote community, as it is on developing a cutting-edge Industry 4.0 apprenticeship program, incorporating advanced manufacturing technologies. However catering for this spectrum of educational need remains a challenge in training delivery and resourcing.

Quality is about students; funding objectives are about government and industry - what is the competitive market about?

The VET quality and regulatory system, provided by the Australian Skills and Quality Authority, maps its regulatory requirements to the student life cycle, supporting RTO's to focus and evaluate their practice based on the quality of student experience.²²

Funding and investment frameworks are orientated around Government objectives combined with industry input to retain or improve employability outcomes for their jurisdiction, and ensure a robust workforce is being developed based on current and future employment demands.²³

But what is the vision for a competitive market? Is the goal to allow more choice to students and communities to improve their vocational education experience? History has already shown this assumption has been tested and has faults, with severe consequences. Is it to open the market to better support the objectives of government and industry? As demonstrated in the previous analysis, the non-public NT RTO market is not explicitly aligned to the right level of qualification, industry, or location. Is it for governments to reduce the volume of public expenditure on VET by privatising the market? The uptake by private providers of courses that require fewer resources has meant that public providers have less opportunity to deliver these courses that generate a higher margin and therefore have less to reinvest into more complex or expensive remote course delivery. This means that public providers, who are obliged to provide a comprehensive range of courses and deliver in remote areas, are more reliant on public funds to fill this financial vacuum. Furthermore, profits generated by private markets are not required to be reinvested into public good projects.

The change in emphasis by stakeholder can create a disconnect between funding and delivery expectations. An example of this is the expectations of training delivery for particular disciplines from the regulator, and a disconnect in funding provided by government to these disciplines to support the expectation of delivery.

What underpins this issue is the lack of a singular, cohesive vision for the national VET system, that articulates a unified understanding of the value of vocational education, the stakeholders, and the connection and responsibilities between student, RTO, government, industry, community, and regulator.

We are paid to train now, and place bids for the future

Training contracts are annual and focused on hourly delivery by industry groups. Movement into growth areas that require business development expertise, professional development and/or recruitment of staff, innovative educational design, and infrastructure, require specific justification. This method is ad hoc, administratively intensive, often informal, and unclear around expectations and available funds.

It is critical in an age where industries and the nature of the workforce are significantly changing²⁴ that innovation to support the future of VET is acknowledged and incorporated into recurrent funding. This would allow public institutions, in consultation and alignment with government, industry and community, to invest in future educational design and program

²² Australian Skills and Quality Authority. (2018). *ASQA's student-centred audit approach*. Retrieved from: <https://www.asqa.gov.au/asqa-audits>, accessed 10/1/19

²³ Northern Territory Government, Department of Trade, Business and Innovation. (2019). *Creating jobs and skilling the Territory's workforce*. Retrieved from: <https://business.nt.gov.au/news/2019/creating-jobs-and-skilling-the-territorys-workforce>, accessed 7/01/19

²⁴ Business Council of Australia. (2018). *Future-Proof: Australia's future post-secondary education and skills system*. Retrieved from: <http://legacy.bca.com.au/publications/future-proof-australias-future-post-secondary-education-and-skills-system>, accessed 19/12/18

delivery, applied research, infrastructure and professional development, in a structured and purposeful way as part of the continuing investment into VET.

Funding length is also a challenge for RTOs. Funding contract length does not support the planning and execution of broader strategic plans that ensure the longevity of the VET system in their respective regions. CDU, like many organisations, has a ten year strategic plan *Connect, Discover, Grow: Charles Darwin University Strategic Plan 2015 – 2025*.²⁵ Stemming from this is the three year CDU VET Plan, *Connecting students, industry and skills: CDU Vocational Education and Training Plan 2017-2019*.²⁶

Both plans have interlinked strategic objectives, and both require the time they have identified to develop and deliver impact and sustainable outcomes for CDU, its graduates, and the Northern Territory. Time is also critical in establishing relationships, understanding context specific training needs, and developing and delivering training in line with the needs of the region.

Current funding length demonstrates an understanding of legacy operational models, but does not support the activation of critical strategic developments, ensuring the sustainable future of the VET system.

Connecting students, industry and skills: CDU Vocational Education and Training Plan 2017-2019



Connect, Discover, Grow: Charles Darwin University Strategic Plan 2015-2025



Figure 5 Strategic priorities of the CDU Strategic Plan, and CDU VET Plan

VET Trainers are part of the skill shortage, and the barriers are getting bigger

One of the greatest challenges faced by CDU VET is the increasing requirements and changes to our own VET workforce, which significantly impacts our ability to prepare Australians for the future workforce of many industries.

The NT struggles to recruit due its remoteness, existing industry operating in thin markets, and lack of competitiveness between education salaries and some local industry salaries. 'VET Trainer' currently sits within the high priority category of the Northern Territory Skilled Occupation Priority List, as it is an issue for the entire NT workforce.²⁷

²⁵ Charles Darwin University. (2015). *Connect Discover Grow: Charles Darwin University Strategic Plan 2015-2025*. Retrieved from: <https://www.cdu.edu.au/about/strategic-plan>, accessed 14/1/19

²⁶ Charles Darwin University. (2015). *Connecting students, industry and skills: CDU Vocational Education and Training Plan 2017-2019*. Retrieved from: <https://www.cdu.edu.au/sites/default/files/cdu-vet/docs/vet-strategic-plan.pdf>, accessed 14/1/19

²⁷ Northern Territory Government. (2018) *Hard to fill jobs in the NT*. Retrieved from: <https://nt.gov.au/employ/for-employers-in-nt/hard-to-fill-jobs-in-the-nt>, accessed 9/01/19

The increasing demands placed on existing and incoming VET trainers around training and assessment qualification requirements has created additional barriers to moving from a chosen industry into the VET workforce. It has created additional overhead for RTOs to find new ways to recruit and support potential employees into the VET workforce within regulatory parameters.

RTO's are in a perpetual state of response

RTO's are suffering from change fatigue and are significantly impacted by the continuing resource reallocation to enable operational change quickly when iterative policy decisions are made by governments. Continuous, iterative change also affects student outcomes, as students are negatively impacted by process complexity and changing requirements throughout their study.

An example of this was the transition from VET FEE HELP to VET Student Loans. Please see *Appendix 1: Charles Darwin University – Contribution to ANAO Performance Audit* to see the extent of challenges and resources required to manage this change process.

Student participation support does not align to training demand

As was identified previously, many NT students are from low socio-economic backgrounds and require support to enter tertiary education. VET Student Loans currently support Diploma level qualifications, however workforce demand and qualification requirements in the NT focuses around the Certificate III qualification level.

Governments need to improve financial assistance to future students wishing to enter VET at a certificate level qualification.

It is also important that the VET industry (VET providers and government) tests its assumptions that VET being the more cost-efficient option comparative to higher education, does not equate to affordability or accessibility to all Territorians.

There's a competitive market mindset, but not a process

As the competitive mindset increases, there is a growing demand for developing staff and their business acumen, becoming more entrepreneurial in securing VET funding. These traits are positives, as VET staff can become more empowered to activate their relationships with industry in new and innovative ways.

What is absent is the same competitive market mindset from a regulatory perspective. Speed to market is a continuing issue because of the volume of resource and time it takes to develop and deliver qualifications. Quality and regulatory compliance must remain core to the system to maintain its overall quality, but it must be designed to allow for speed to market to act on industry demand at the rate of which industry changes, and to support a competitive market.

Our value proposition to students needs to be orientated around resilience and optimism, not fear

Future students of Australia are continually reminded that the future is full of artificial intelligence, technology that will wipe out millions of jobs, and that no one is clear what the future holds in terms of jobs and employment practices.²⁸

This may be partly true, but the perspective in which this is currently delivered instils a culture of fear that emphasises what you do today, may not be here tomorrow. This generates a lack of incentive to train in current industry, although the reality of now is that we have significant skills shortages across many industries²⁹.

The industry's challenge is to help future students to understand that training for jobs now, that may not be around in the future, is not a fruitless outcome. There are opportunities to participate in the workforce now, and into the future. Developing skills and experience that will help to shape and support continuing skills development, the additional attributes of participating in vocational education, and positive attributes of participating in the workforce and demonstrating employability are all positive outcomes.

²⁸ Business Council of Australia. (2018). *Future-Proof: Australia's future post-secondary education and skills system*. Retrieved from: <http://legacy.bca.com.au/publications/future-proof-australias-future-post-secondary-education-and-skills-system>, accessed 19/12/18

²⁹ Australian Department of Jobs and Small Business, (2018). *Ratings Summary – Labour Market Analysis of Skilled Occupations*. Retrieved from: https://docs.jobs.gov.au/system/files/doc/other/ratingssummary_labourmarketanalisskilledoccupations.pdf, accessed 8/01/19

The industry needs to develop an understanding that training for today not only teaches you skills, but builds a culture of resilience and optimism in understanding the benefits of life long upskilling.

What changes would you make to the VET sector?

Please see section, *Overview of submission*, for details.

Conclusions

VET helps Australians prepare for the future workforce by working with industry, government and the community, establishing context specific strategies to address current and future employment demands. The VET system delivers high quality training and student support, ensuring Australians can actively participate in vocational education to gain technical, employability, and life skills. VET empowers students to develop resilience and optimism in an environment where upskilling and reskilling will become the norm, to support ongoing employment and the socio-economic prosperity of Australians.

The public VET system is extremely important to the socio-economic prosperity of the Northern Territory. Regional and remote areas such as the NT rely heavily on occupations that require VET qualifications, and support low socio-economic engagement in VET, raising the uptake of tertiary education across the country. To continue this important work, the VET industry needs a cohesive national strategy, engaging all stakeholders to understand their roles and responsibilities, coupled with a roadmap and significant investment to transform our challenges into outcomes, making the VET system sustainable and relevant for the future.

Appendix 1: Charles Darwin University – Contribution to ANAO Performance Audit

April 2018

Introduction

Charles Darwin University (CDU) has been an approved VET FEE HELP Provider since May 2014, also approved on 12 December 2016 as a Course Provider for VET Student Loans, from 1 January 2017 through until 31 December 2023.

CDU welcomes and appreciates the opportunity to provide a contribution to the ANAO audit, through provision of feedback in relation to the design and implementation of the VET Student Loans program, administered by the Department of Education and Training. CDU acknowledges the positive changes in response to the identified shortcomings of the VET Fee Help program, specifically the provision of better information to support and protect students in understanding their rights and obligations. CDU is supportive of the need for new initiatives and changes to requirements which are gradually being communicated to RTOs.

Design and Implementation of the VET Student Loans program

VET Student Loans (VSL) commenced on 1 January 2017, replacing the VET FEE-HELP scheme, following the passing of legislation on 1 December 2016. CDU has been challenged by both the effectiveness of the introduction of the legislation (and ongoing amendments) and of the support provided by the Department to implement and manage the program.

There was not an appropriate design process established to support the achievement of the Government's policy objectives nor were there sound arrangements established to support the implementation and management of the program. Provided below is an explanation of the different (and ongoing) challenges faced by CDU which have led us to this disappointing conclusion.

Summary of challenges faced by CDU as a VSL provider

- The expectation that RTO's would be able to effect the implementation of the new VSL scheme within the expected time-frame was unreasonable and the substantial administrative impost of implementation did not appear to have been given adequate consideration by the Department.
- Implementation should have been conducted in a more measured and phased approach. For example, in December, most institutions, including CDU, are closed for their scheduled Christmas break. Internal planning and staging for the changes could not be conducted during this period, particularly given the short notice provided to the RTO's to implement the legislative changes.
- Support to RTOs and their students were inadequate during the first 6 months. RTOs had no guidance available to support them in interpreting the VSL Act or in dealing with the required changes and responding to student queries. The Department did not establish appropriate support mechanisms to assist providers until mid-May 2017, over four months after the scheme commenced, thus increasing the risk of RTO non-compliance, due to delays in receiving feedback from the Department. The time taken to respond to RTO enquiries was generally four to five weeks in duration.
- The combination of rapid change, and the complexity of new processes, has led to poor student experiences. Feedback from prospective VSL and continuing VFH students indicates that they find the application process complex and confusing. The VSL technical system and processes, particularly during the first 6 months of the program, was limited and inadequate. The Department did not have a significantly robust system and administrative support in place to manage risks associated with implementation, or unintended consequences arising from the legislation, resulting in students being unable to receive adequate assistance from the Department regarding their eligibility and options.
- Student course and loan caps for particular qualifications have hindered student access to and participation in VET, reducing uptake of places in courses and restricting their opportunities to pursue desired careers.

- Course fees were published according to VSL requirements on 1 December 2017, however advice from the Department regarding changes to loan caps was not received until late in December, during the Christmas break. Other changes included the removal of TAE80113, the Graduate Diploma in Adult Language, Literacy and Numeracy Practice from the list of eligible courses for VSL. The impact included multiple administrative changes and the need to contact and advise individual students likely to be affected.
- Transition arrangements for VET Fee-Help students were not carefully considered. Existing students continuing into 2017 were able to complete qualifications under the current arrangements; however, there were technical issues with the Department's system, where students were unable to opt-in. Affected students have advised CDU that the Department was unable to assist them in a timely manner, which then forced them to avail themselves of the VSL scheme instead of continuing under VFH.
- There appears to be some mismatch in the data being used by the Department and/or delays in system updates within the Department, e.g. Tax file Number checks and citizenship status of students, which is causing delays in the processing of payments to the RTO.
- Issues with administration of eCAF and VSL student progression. As a dual sector institution, CDU's Student Management System, requires consultation with our vendors on system requirements and testing of new functionality prior the implementation of changes. The implementation of the eCAF system underestimated the timeframe required to put the system and processes in place to support the introduction of the new eCAF system. There were also related compliance requirements where CDU was initially advised to comply, then subsequently notified that CDU was exempted.
- In addition, the challenges facing RTOs in terms of resourcing, for example timeframes for IT system enhancements, staff training and communication with stakeholders due to the new system and its requirements, did not seem to be adequately considered as part of the process. The lack of assistance to RTOs that was available between 1 January and mid-May 2017 exposed RTOs to significant compliance risks and reduced their capability to assist VSL students with queries.
- The Department did not provide clear guidance to RTOs, increased the focus on compliance with regulatory requirements adversely affecting the participation of students who are experiencing financial disadvantage.

Conclusions

The level of engagement by the Department was ineffective. During the early implementation stage, where critical support and assistance were required by both CDU and its students, this support was unavailable. CDU has been constantly challenged by the continual adjustments being made by the Department regarding the implementation of the legislation - with very short-time frames for compliance.

An increasing focus on compliance and regulation defeats the overarching objective of the scheme, that is, to reduce financial barriers and increase participation in VET. Overall, the significant cost burden required to administer the changes is diverting limited and much needed resources away from improving student experience and outcomes.