

## National Agreement for Skills and Workforce Development Review

### Submission to the Productivity Commission

Dear Commissioners,

All I can say as a former VET student that I am very glad to be finished with that sector, would not advise anyone else to enter it and, on the basis of the Productivity Commission's Interim Report do not predict that anything will improve. In the end, there will still be subsidies, going to questionable private Registered Training Organisations and, a hybrid state and federal funding and management system.

My experience of that system was that it was completely dysfunctional and, when making a complaint as a student it was an unresponsive, unsatisfactory waste of time. With many of the same players and structures still in place, it is hard to see how you think anything is going to improve? It is also fascinating to consider how the government can defend the National Skills Agreement when you can credibly have \$1.9 billion as unattributable funds,<sup>1</sup> loosely assigned to various forms of course administration. This is galling. No student would be allowed to dismiss work left uncompleted or funds not accounted for as "unattributable". We would never be dealing with such a quantum of funds anyway.

The other two points that tell you everything you need to know about the VET system and its parlous state, is firstly the table "Figure 1 Learning approaches vary over the life course".<sup>2</sup> The multitude of tables, graphs and commentary that say a growing number of students are not completing courses, minority groups who would likely be targeted by various incentives are also not completing courses<sup>3</sup> and, employers' growing dissatisfaction with the trainees being produced, should have sounded alarm-bells long ago.

When you can also find evidence of the growth of non-accredited courses and subjects,<sup>4</sup> this too speaks much to the lack of both relevance and quality in what VET produces. The fact that you can produce a graph which shows (on a macro-level) the most highly skilled labour acquires the greater share of employment,<sup>5</sup> needs to be considered in terms of the high rates of student debt on which some of that employment will be based. Equally, for all levels of education the growth in wages would appear to be flat, if not declining.<sup>6</sup> Add to this, the fact that about 80% of people in their mid-20s leave the education system never to return<sup>7</sup> and, it is hardly surprising that the VET system is not meeting its targets.<sup>8</sup>

It seems that for many people, the argument about lifelong learning has not been made, or either, it is too expensive. Personally, I expect that the latter is true and, it is likely that people will be even more price sensitive in a time of pandemic and economic uncertainty. This will result in even lower

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<sup>1</sup> See Figure 2 Funding of VET, 2018, p.6

<sup>2</sup> See Figure 1 Learning approaches vary over the life course, p.4

<sup>3</sup> In my own experience as someone with a disability, I have never seen education and employment as necessarily linked: see my submission to the Human Rights Commission 'Willing to Work' inquiry at [https://www.pc.gov.au/data/assets/pdf\\_file/0004/209749/subpfr356-human-services-identifying-reform-attachment1.pdf](https://www.pc.gov.au/data/assets/pdf_file/0004/209749/subpfr356-human-services-identifying-reform-attachment1.pdf) as at 7 June 2020

<sup>4</sup> See Figure 1.3 Trends in nationally recognised VET enrolments, p.60

<sup>5</sup> See Figure 1.1 The employment share of high-skilled labour has grown strongly Shares of total employment by skill level (per cent), p.53

<sup>6</sup> See Box 3 - Education wage premium, 20-64 year olds, p.20

<sup>7</sup> See above n 2.

<sup>8</sup> See Figure 5 The NASWD's targets will not be met, p.10

engagement with education and lower completion rates. Market-based provision of goods and services may make sense when the economic curve is ascending but far less sense when it is descending. Furthermore, it is arguable that the VET system represents less of a market and more a series of highly subsidised, low productivity and high rent-seeking actors, with little to show for their repeated funding rounds.<sup>9</sup>

In my case, it seems necessary to highlight a prior submission to a former review. It tells the story of my inability to get straight answers out of a Registered Training Organisation, who ultimately provided me with a qualification which was claimed to be nationally recognized. This was not something my own professional body (the NSW Law Society) recognised. A complaint to the VET Quality and Standards Authority was of little use, as the attached document Appendix 1 shows.<sup>10</sup> Until such problems are properly resolved, why should anyone have any great faith in the VET system? It seems many are literally 'voting with their feet'. The final question about the National Skills Agreement and VET then is not "What reforms will secure their future" but rather "Do they have a future at all?"

Your truly,

Adam Johnston

June 7, 2020

Appendix 1: Reform of VET -

[https://www.pc.gov.au/\\_data/assets/pdf\\_file/0005/209750/subpfr356-human-services-identifying-reform-attachment2.pdf](https://www.pc.gov.au/_data/assets/pdf_file/0005/209750/subpfr356-human-services-identifying-reform-attachment2.pdf)

Appendix 2: Law Society documents/correspondence, followed by my submissions to the Commission's Access to Justice inquiry in which I raise related issues

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<sup>9</sup> A useful article for charting the growth in the public subsidy of third parties to provide what were formerly government services is provided by: Stebbing, Adam ; Spies-Butcher, Ben. / **Universal welfare by other means? Social tax expenditures and the Australian dual welfare state**. In: Journal of Social Policy. 2010 ; Vol. 39, No. 4. pp. 585-606. <https://researchers.mq.edu.au/en/publications/universal-welfare-by-other-means-social-tax-expenditures-and-the-> as at 7 June 2020

<sup>10</sup> Seeking a review from the Law Society was equally unsuccessful – see Appendix 2