

3 July 2020

Commissioner Jonathan Coppel and
Commissioner Malcolm Roberts
Productivity Commission

Dear Commissioners

Please find attached a response to some of the issues raised in the Productivity Commission's Interim Report into the National Agreement for Skills Agreement and Workforce Development Review. This response says that:

- the strategies suggested by the Productivity Commission in the Interim Report will do little to strengthen VET in Australia;
- community service grants and subsidies paid to TAFE are not one of the same and it identifies that subsidies paid to TAFE are a real cost that these institutions bear which are not borne by others;
- the validity of "competition" as an underpinning philosophy for vocational education training is questionable, and notes that there is no country in the world that regards competition as an essential element for VET;
- there are substantial differences in relation to private providers and TAFE;
- the vast majority of students enrolled in VET are enrolled in upper secondary education on any reasonable international comparison. Evidence is provided to support this contention.

This submission provides evidence to suggest that Australia has failed to establish an interconnected tertiary education sector, as an underpinning structural arrangement that the OECD regards as essential to creating an effective vocational and education training system. It links the importance of having a clear industry policy as an essential component to assist tertiary education being effective as a contributor to the social and economic fabric of a country.

The submission suggests a more contemporary structural arrangement is essential for Australia to remain economically competitive and socially inclusive. The structural arrangements suggested are based on international developments.

We would be pleased to elaborate on any aspect of our submission. We wish you well with your deliberations.

Bruce Mackenzie
Chief Executive Officer
Mackenzie Research Institute



RESPONSE TO THE PRODUCTIVITY COMMISSION INTERIM REPORT INTO THE NATIONAL AGREEMENT FOR SKILLS AND WORKFORCE DEVELOPMENT REVIEW

Bruce Mackenzie
Mackenzie Research Institute

E: info@mri.edu.au

July 2020

The Productivity Commission has released an interim report evaluating the effectiveness of the National Skills and Workforce Development Agreement (NSWDA). The Commission has also provided the Treasurer with options to consider for a new agreement and has sought commentary on its wide-ranging report.

The findings

The Commission found that the National Agreement did not meet any of its targets. It suggests that the reason for this failure was that in regard to Certificate III, many low-skilled adults in the workforce were more likely to undertake work-related training than formal training.

In relation to higher-level qualifications such as diplomas, the poor implementation of the VET FEE-HELP scheme meant the targets were too ambitious. The Commission found that overall participation rates were below or the same as in 2010. (*Interim finding 2.2*)

The Commission finds that efforts to promote a more open and competitive training market stalled. It advises governments to do further work on policy settings that best facilitate a responsive and efficient training market, including a more clearly defined role for public providers. (*Interim finding 2.3*).

The Commission says the existing agreement is overdue for replacement and that while some principles such as equitable access to training and contestability are pertinent to any new agreement, reforms are “still needed to give students better information, increase user choice, improve quality assurance and create a more interconnected education and training system”. (*Interim finding 2.4*).

Comment

The failure of the agreement to achieve any of its targets is no surprise. What is surprising is that there is scant evidence as to where the \$1.5 billion has gone. The past ten years have been arguably the blackest and most dismal decade in the history of Australian education, especially for vocational education. It is a lost decade. In “economic terms”, VET is in a deep recession.

There are serious structural issues with Australian education at the upper secondary and tertiary level. The proposed reforms suggested in the Interim Report would do nothing to arrest the decline of VET.

Policy directions guiding Australia’s tertiary education system have been big on principles and ideology, but an absolute failure in relation to developing an interconnected educational system that advantages students, the wider community and industry. We have failed to develop a framework that ensures graduates at the upper secondary and tertiary level have the core skills to adapt to change and have the necessary workplace competencies.

I will elaborate on the structural deficiencies later in this response, but before doing so, I want to address some misconceptions that I believe the Commission’s report contains.

Payments to TAFE institutes

In its report, the Commission suggests that subsidising public providers may violate competitive neutrality principles and that the reasons for such subsidies are largely ill founded. (p. 200). These are serious allegations. The Commission goes on to say that government “should fund public providers based on explicit transparent community service obligations”.

There is a difference between community service obligations and the subsidies for TAFE courses beyond the cost of the course. These additional costs have been clearly identified, especially in Victoria.

In 2015, the Victorian government conducted an extensive review into VET funding. The report, entitled the *VET Funding Review (VFR)*, was released on December 16, 2015. The report was wide-ranging, covering more issues than just funding. However, one of the key issues it addressed was the restrictions government places on TAFE institutions, such as asset maintenance and policy requirements, e.g. Auditor General - restrictions that financially penalise the institutions. These restrictions do not apply to private providers. (In other states the restrictions are greater, especially in relation to international education and curriculum innovation.) An accounting firm, Moore Stephens, was contracted to identify and cost these penalties.

The differences are substantial and are clearly outlined in Chapter 4 of the report. (See VFR, p. 75 to 77). These impositions could be lifted but would require significant changes around governance issues. The restrictions are not community service obligations and they are not ill founded. The chapter considers in some detail the role and function of TAFE institutions, another issue of concern to the Productivity Commission.

Community service obligations

The *VET Funding Review* also considered community service obligations. It recommended that the term community service obligations be renamed community service grants. It is my understanding that Victoria still uses the term community service obligations but the process described in the report for community service grants is followed by Victoria. (See VRF, p. 113-119.)

Provider classification system

The *VET Funding Review* also addresses other issues raised in the Commission’s report, including a framework for a provider classification system. In choosing the criteria, the review tried to avoid getting caught up in the same sorts of issues that bedevilled efforts by other countries to assess providers on contestable and arguable grounds such as completion rates, attrition, and so on.

Rather, the focus was on risk management and capability as defined by the report. What became apparent to the consulting firm (PricewaterhouseCoopers) that wrote the review was that the scale and size of the smallest TAFE institution dwarfed private providers and that any comparison between private providers and TAFE was not a useful sorting process for the 2000 private providers that existed in Victoria at that time. (See VRF, p. 108-111)

Subsidy setting/student fees

The Productivity Commission may also find it useful to consider the chapters that look at subsidy setting and the role of government (VRF, p. 17 to 55), especially given that the Commission is arguing that a key principle should be a student-focused system. The subsidy setting chapters are based around the life cycle of a student and raise issues such as student loans, budget management, and fee regulation or deregulation. On each of these matters, positions have been taken that the Commission may find helpful.

The Commission seems to have omitted any discussion about the banning of brokers and commissions, a decision taken by the Victorian government, which had an impact on over-enrolments in low-skilled and precarious (less secure) jobs.

Competition as an important principle

Despite extensive research, I have been unable to identify any international organisation that suggests that competition is an essential component of effective and efficient VET systems.

Where providers offer the same curriculum and the subsidies for delivery are set at the same rate, the pursuit of efficiency will not lead to any great gains. What Australia has produced in the pursuit of competition and user choice has been a range of small, private, metropolitan Registered Training Organisations (RTOs) clustered around city centres that offer popular or inexpensive courses with only loose connections to the labour market. Very few offer training in the traditional trades, or for occupations that are often on the skills shortage list, while only a very small percentage of private providers are found in regional and remote areas.

It has never been clear why the VET sector is subject to “competition” and the university sector is not.

The regulatory systems and the costs imposed on VET as it pursues user choice and competition ideologies are expanding at an unprecedented rate. They reduce and redirect effort. The toxic combination of fraud and thousands of small private providers, all “competing” perhaps as an end in itself and providing hundreds of competencies with dubious assessment strategies, has created an ever-growing bureaucratic maze. There is no evidence that the regulatory arrangements now required in VET have in any way contributed to the quality and standing of the system.

Instead, efficiency has been reduced and large public institutions weakened. They should be able to manage their own quality rather than devote resources to satisfying overly burdensome external compliance requirements, for which the value is unclear.

The pursuit of competition is the underlying cause that has damaged the reputation of the sector. Repairing this is probably a greater task than the job of repairing the reputation of the fraudulent banking sector.

The community trusts educational institutions to be there for the common good, not to compete with each other.

Adult education and informal training

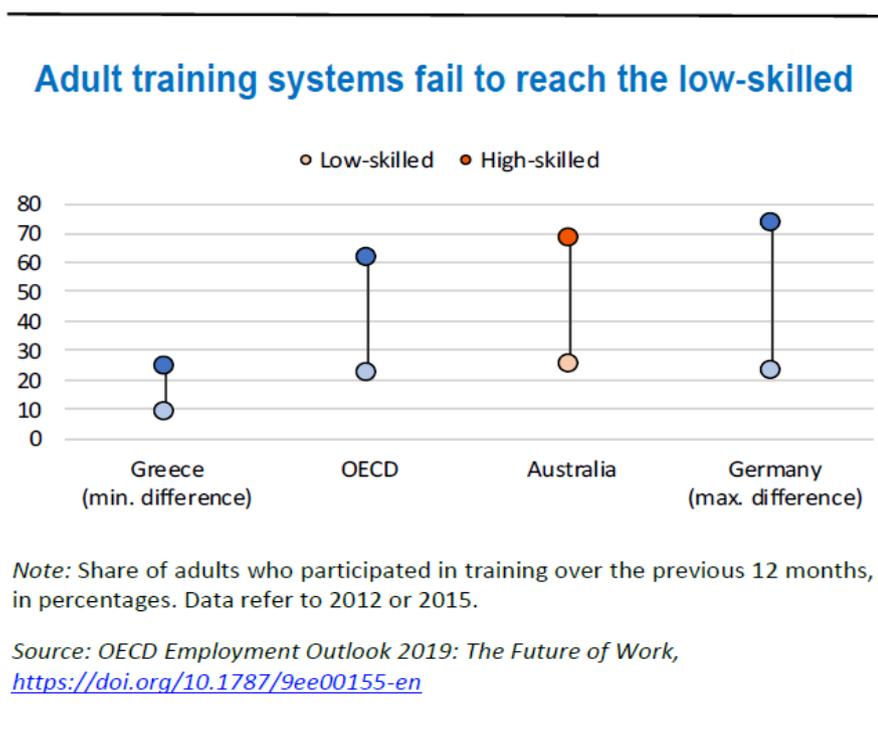
The government’s focus on higher education and secondary education in Australia has meant that adult education has been largely ignored. It is true that young people face much higher unemployment rates than adults and that their comparative earnings have worsened over the years. However, as economies become more knowledge-based, the low-skilled adult with weak literacy and digital skills pays a high price if their work arrangements are disrupted.

Work-related training is undertaken to improve skills for a current job. However, there is no evidence to suggest that people with lower level qualifications will undertake on-the-job training rather than a Certificate III.

In 2013 the Australian Bureau of Statistics (ABS) produced a report called *Work-related training and adult learning in Australia*. It found that people with higher-level qualifications were more likely to participate in work-related training when compared with those with lower-level qualifications. It found that 43 per cent of those who participated in work-related training had a Bachelor’s degree or higher, compared with 22 per cent of those whose highest non-school qualification was a Certificate I or II.

Further, the OECD claims that while adult learning is important, those in need of training the most (i.e. the lower skilled) undertake the least training. The OECD reinforces the ABS findings. (See Table 1.)

Table 1



Contrary to the Commission's view, the evidence suggests that access to learning for adults is for those who have already done well in education, not the semi- or un-skilled worker. The OECD adds that if workers with a low level of skill do get access to workplace training it is not always good quality.

The Mackenzie Institute's submission [Skills for Victoria's Growing Economy Submission/Lifelong Learning](#) (June 2020) identified some strategies to strengthen lifelong learning and adult participation. Strategies included:

- reducing fees to students especially adults;
- broadening the VET curriculum to ensure it contains, as a priority, foundation skills for further study, especially where jobs continue to require a more diverse mix of technical, interpersonal, personal and digital skills;
- funding skill sets;
- strengthening information about job precariousness and employment opportunities in some occupational areas; and
- increasing workplace training to develop core skills in literacy and numeracy.

Training packages

At the core of any educational system is its curriculum – the product offered to students. The curriculum in Australian VET is training packages. Australia's is the only education system in the world that uses this term, which undoubtedly adds to confusion about where VET fits within the country's educational framework.

Existing training packages, with their narrow specificity and weak assessment, are an inappropriate curriculum construction when the jobs of the future and the required skills are not known. Training packages were developed for another era.

The future of work is uncertain and graduates from tertiary education need to be able to have skills that give them a chance to cope with change.

The Commission rejects a view that training packages are too narrow with their focus on job specific skills and job readiness. This is despite the fact that in the most recent NCVER survey, only 27.5 per cent of graduates were employed in jobs that were the same as their training package. (NCVER, *Vet Student Outcomes*, 2019). By any measure, this is an extraordinarily low percentage of graduates who are not using the job readiness and job specific skills associated with training packages.

In addition, a high percentage of students do not complete training package courses, suggesting that students are enrolling in them for undefined purposes. If more than 70 per cent of students are using training packages for reasons other than job specific skills, I cannot understand why a wider curriculum would not be more appropriate.

A constant concern for regulators and for providers, whether public or private, is that the assessment standards are vague and non-standardised. Training packages are based around behavioural concepts developed for the armed services. The non-negotiable component of a competency statement is clear and unambiguous assessment. Training package assessment

strategies are anything but clear. Industry bodies and the wider community have lost confidence in qualifications issued by VET because of variable assessment.

A large proportion of training packages are not used. This would suggest that most training packages are not fit for purpose. It is inefficient to develop packages that are not used.

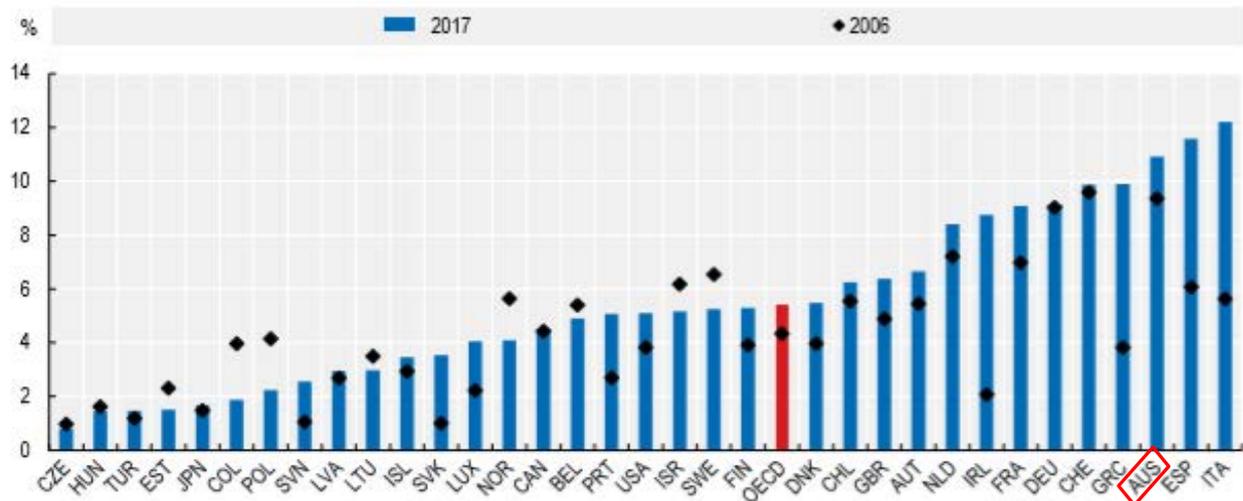
The concept of competency-based curriculum in Australia was derived from the UK. The UK has long abandoned this form of curriculum for its education systems.

Neither the secondary school system nor higher education relies on training packages as the basis for its curriculum. The Melbourne Declaration (Melbourne Declaration on Educational Goals for Young Australians, Dec 2008) and the Review of Higher Education (Review of Australian higher education; Final report [Bradley Review]) clearly link productivity improvements and employment as fundamental concepts in upper secondary education and higher education. This would suggest that the value of the training package concept has failed to convince others who claim similar outcomes to VET for their students.

Preparing students with the right skills for employment is not a panacea for Australia's labour market. Graduates from Australia's education systems must have the skills to cope with a precarious labour market with high levels of insecure work and underemployment. Training packages that differ markedly from the curriculum of other sectors prevent the development of a comprehensive learning system of post-secondary providers.

Educational policy cannot and should not be unduly focused on the specific immediate needs of employers. Employers' views are important in informing curriculum but so, too, are wider macro-economic and social circumstances in which we expect our graduates to successfully engage.

Among the OECD countries, Australia has one of the highest shares of employees who work in short-term, part-time jobs. (OECD. (2019) *The Future of Work. OECD Employment Outlook, 2019*). Moreover, one in eight workers in Australia report they have no guaranteed hours. Australia has the third highest level of underemployment in the OECD. (See Table 2.)

Table 2
Percentage share of dependent workers in under-employment, 2006-2017 (or latest year)


Note: The OECD average is the unweighted average of the countries depicted. Under-employed workers are in part-time employment (working 30 hours or less per week) who report either that they could not find a full-time job or that they would like to work more hours.

1. Data for 2017 refer to 2016 for Australia, Germany, and Japan, 2015 for Chile and Turkey, and 2011 for Israel. Data for 2006 refer to 2007 for Colombia and 2009 for Chile.

Source: European labour force survey (EU-LFS), German Socio-Economic Panel (GSOEP), United States Current Population Survey (CPS), Canadian Labour Force Survey, Turkey Labour Force Survey, Japan Household Panel Survey (JHPS/KHPS), Colombian *Gran encuesta integrada de hogares* (GEIH), Chilean National Socio-Economic Characterization Survey (CASEN), Israel Labour Force Survey, Household, Income and Labour Dynamics in Australia (HILDA) Survey.

StatLink  <http://dx.doi.org/10.1787/888933966369>

Since 2006, young people with medium and high-level education are increasingly likely to be in low-paid employment. Australia's figure is well above the OECD average, as Table 2 shows.

At a time of considerable job uncertainty, high underemployment and job precariousness, the development of a broad-based curricular with a common core should be a fundamental principle of curriculum design. Yet VET curriculum is locked into a narrow, job-focused design that hails from another age and another country.

Given the centrality of curriculum to any educational system there is strong evidence to suggest that what is happening in VET is far from fit for purpose. A student-centred VET system cannot ignore the significant limitations associated with training packages.

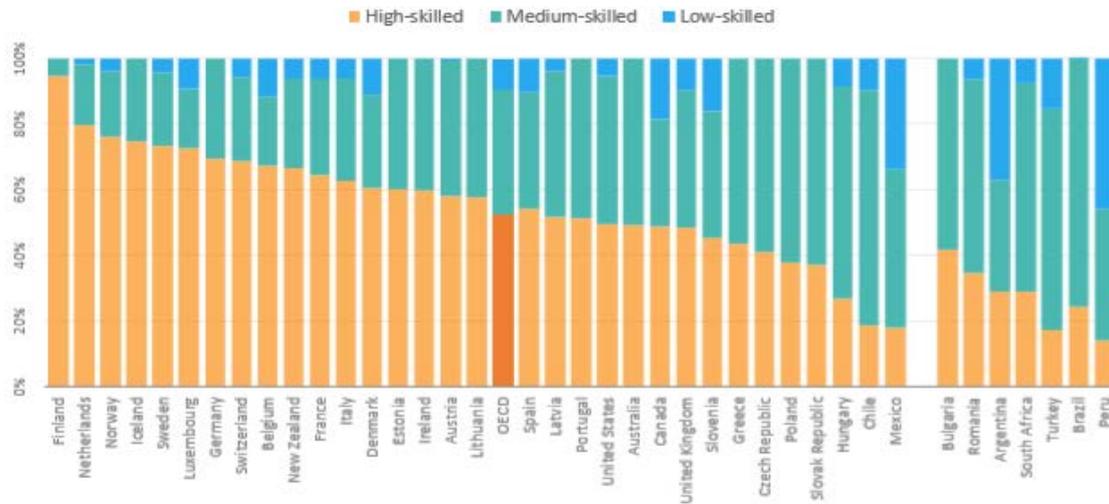
Structural issues in Australian tertiary education

Since 2000, Australia's upper secondary and tertiary education arrangements have been planned around issues of increasing productivity, transitioning from manufacturing to a high-skilled service economy, and ensuring that the appropriate skill mix is available to industry. In addition, access to higher education was to be an important instrument in creating a fairer society.

This focus has unfortunately led to a hollowing out of the workforce into high- and low-skilled work. Our skills formation arrangements are out of kilter in comparison with the rest of the OECD. (See Attachment A). There is evidence from the OECD to suggest that Australia’s intermediate workforce skills are in as much demand as high-level skills. (See Table 3.)

Table 3

Share of employment in high demand by skill level



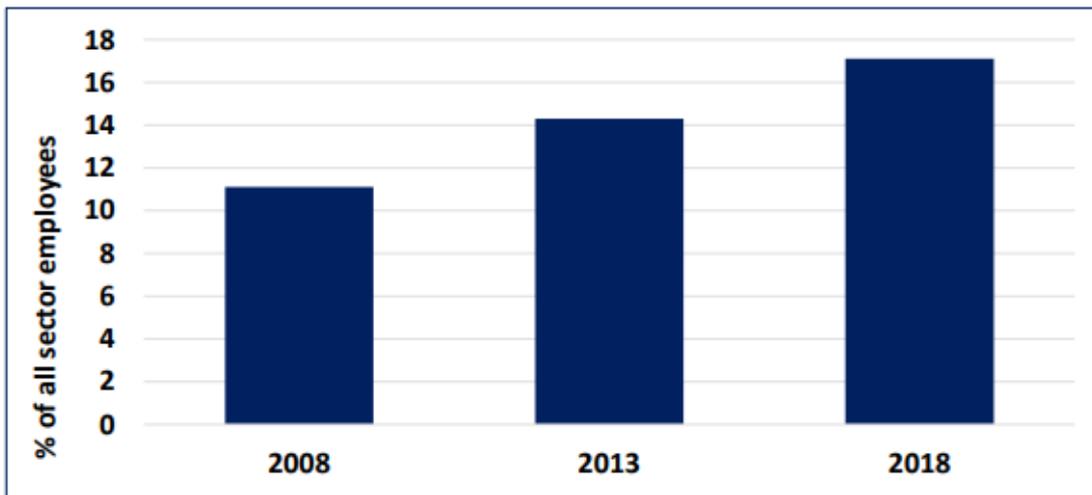
Note: High, medium and low skilled occupations are ISCO occupational groups 1 to 3, 4 to 8 and 9 respectively. Shares of employment in each skill tier are computed as the corresponding employment in each group over the total number of workers in shortage in each country. Data refer to the latest year for which information is available
 Source: Elaborations based on the OECD Skills for Jobs database (2018).

Education can only play a minor role in developing a fit-for-purpose skilled workforce if it is not integrated with industry policy. Australia does not have a clear-cut industry policy. What does exist is not underpinned by implementation plans, which hinder productivity. Moreover, the focus has been on higher education as the key to improving productivity, which has also failed.

This is evidenced by the fact that we have increasing numbers of graduates in low-skilled jobs, productivity levels below the 1980s and an extremely high incidence of qualifications mismatch. (See Tables 4, 5 and 6.)

Table 4

Employees with a Bachelor’s degree or above in clerical, sales and labourer occupations

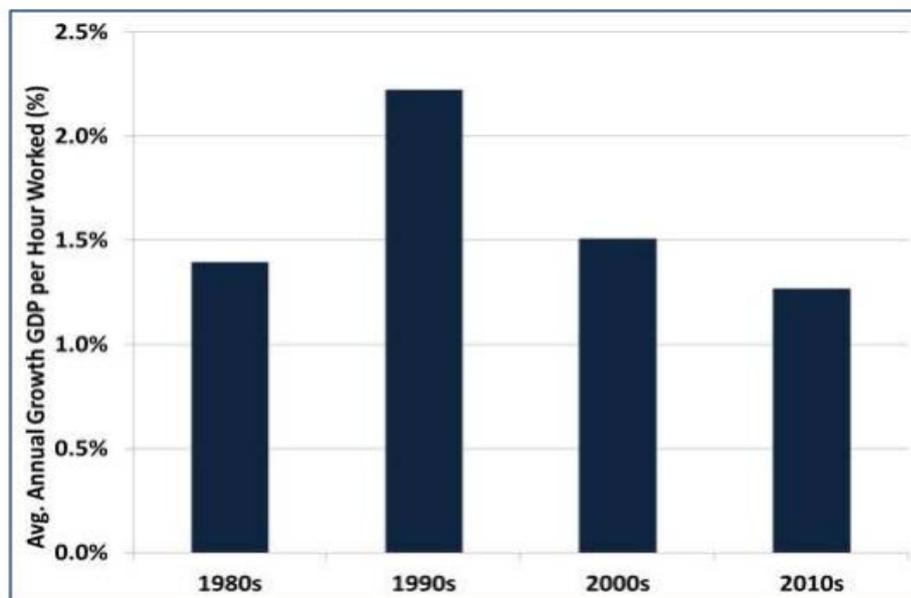


Data: Authors’ calculations from ABS Catalogue 6227.0. Includes bachelor’s degree, graduate diploma and postgraduate qualifications.

Source: *The Future of Work for Australian Graduates: The Changing Landscape of University-Employment Transitions in Australia (October 2018).*

Table 5

Real labour productivity growth, Australia

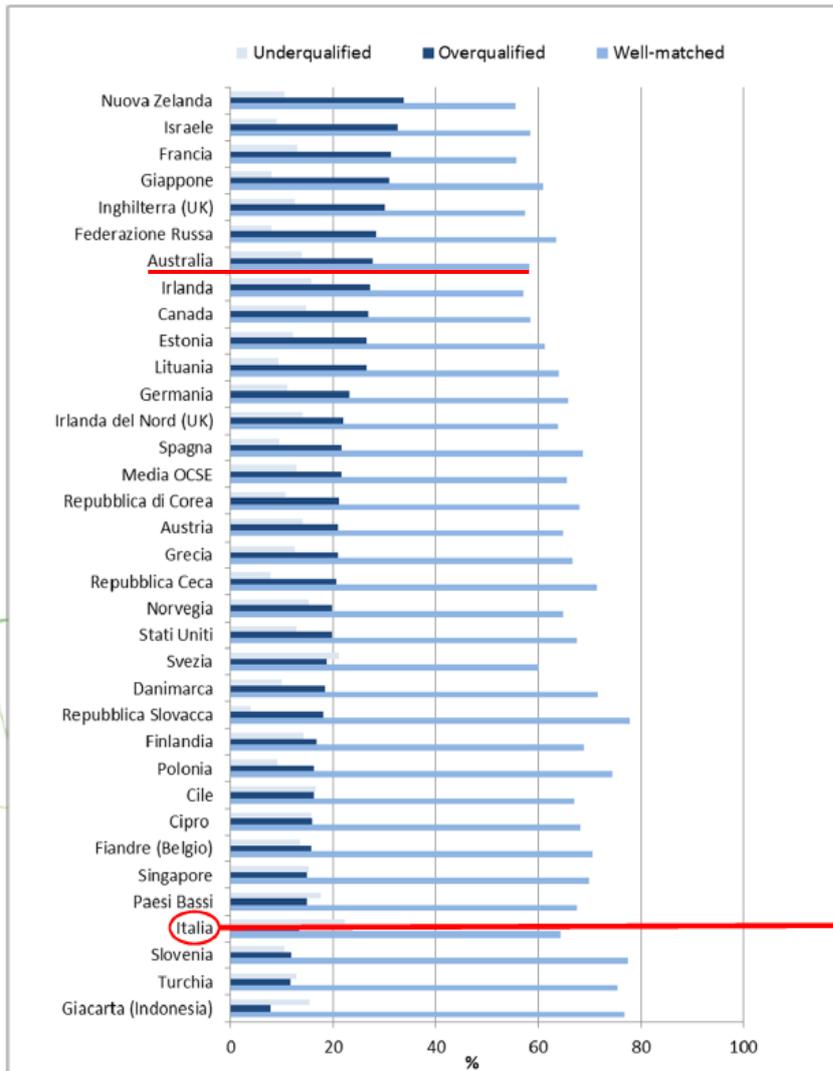


Data: Authors’ calculations from ABS Catalogue 5204.0. 2010s figure to 2018.

Source: *The Future of Work for Australian Graduates: The Changing Landscape of University-Employment Transitions in Australia (October 2018).*

Table 6

Incidence of qualification mismatch in PIACC



Over-qualified: 14.0
Under-qualified: 23.6
 Well-matched: 62.4

Source: B. Manuela and M. Simona, *Social Integration dynamics for migrants: PIACC to measure skill and qualification mismatch* INAPP Public Policy Innovation, Torino, 30 June 20, 2017

Table 7
Projected highest job growth industries to 2023

Industry	Percentage of total employment (Feb 2019)	Projected new jobs 5 yrs. to 2023	Top hiring occupations*
Health care & social assistance	13%	250,300	Aged & disabled carers; registered nurses; child carers
Construction	9%	119,000	Construction managers
Education & training	8%	113,000	Education aides; primary school teachers
Professional, scientific & technical services	9%	107,000	Software & applications programmers
<i>Data: Authors' calculations from Department of Employment, Skills, Small and Family Business (2018) employment projections from May 2018 to May 2023. * Top hiring occupations are those projected to experience strongest growth within highest employment growth industries.</i>			

Prior to the pandemic, Australia's economy was teetering on recession, wages had not increased for more than five years and productivity was in decline. The key growth industries in Australia will require large numbers of upper-level intermediate personnel in the near future. (See Table 7.)

Transitioning low-skilled workers to become workers with intermediate skills and strengthening the intermediate workforce means that VET needs to become a more important destination for upper secondary students. Destination studies conducted in Victoria, Queensland and New South Wales indicate that only about 50 per cent of completers go to a university. The remainder are increasingly turning away from VET as a preferred destination and go into low-skilled, precarious jobs. Those who choose VET go into apprenticeships, Certificate III courses or, in some cases, diplomas (see Table 8 and Table 9.)

Table 8
Destination patterns, Year 12 non-completers

Destination	2014	2015	2016	2017	2018
Bachelor's degree	0.7%	0.9%	0.7%	0.8%	0.9%
Certificate/Diploma	28.1%	25.8%	23.6%	18.9%	19.5%
Apprenticeship/Traineeship	25.1%	28.2%	29.6%	31.6%	32.1%
Employed	23.9%	23.7%	24.0%	25.8%	27.5%
Looking for work	16.9%	15.6%	15.9%	16.7%	15.0%
Not in labour force, education or training	5.1%	5.5%	5.9%	5.8%	4.8%

Source: *On Track 2018: Destinations of Victorian School Leavers*. Education and Training, Victoria State Government

Note: To reflect diversity data applies to government schools only.

Table 9
Top 5 preferred employment destinations

	2014	2018
Year 12 completers	<ul style="list-style-type: none"> • Sales assistants and store persons (36.5%) • Food, hospitality and tourism (28.5%) • Labourers, factory and machine workers (6.5%) • Clerks, receptionists and secretaries (4.1%) • Health, fitness, hair and beauty (3.8%) 	<ul style="list-style-type: none"> • Sales assistants and store persons (29.9%) • Food, hospitality and tourism (29.7%) • Labourers, factory and machine workers (8.7%) • Teaching, childcare and library (4.4%) • Clerks, receptionists and secretaries (4.3%)
Year 12 non-completers	<ul style="list-style-type: none"> • Food, hospitality and tourism (30.3%) • Sales assistants and store persons (20.2%) • Labourers, factory and machine workers (12.3%) • Other (7.2%) • Building and construction (6.6%) 	<ul style="list-style-type: none"> • Food, hospitality and tourism (28.7%) • Sales assistants and store persons (21.6%) • Labourers, factory and machine workers (14.4%) • Building and construction (8.9%) • Gardening, farming and fishing (6.1%)

Source: *On Track 2018: Destinations of Victorian School Leavers*. Education and Training, Victoria State Government.
 Note: To reflect diversity data applies to government schools only.

The EU and New Zealand qualifications authority regards Australian Certificates I to III as upper secondary education. The OECD consistently regards level three as upper secondary education. (See Attachment 2.) This means that Australian students who complete year 12 and then take on an apprenticeship are going backwards educationally. Those who take on a pre-apprenticeship or similar type of program to get an apprenticeship, if unsuccessful, have not only gone backwards educationally but face a very uncertain future.

In the EU and now in the UK, upper secondary education complements industry needs as well as educational needs. To strengthen connections between the sectors and strengthen workforce capacity, upper secondary education has been divided into two tracks:

- a professional/vocational track that streams students into applied universities such as university colleges and/or into employment at the lower intermediate level; and
- an academic track that streams students into research-based universities.

For students who choose a vocational track, the curriculum is broad-based and focuses on developing core skills, such as literacy, numeracy and digital and workplace competences. They have a pathway into applied universities at the completion of their year 12 program should they choose this destination rather than work.

A detailed description of the paraprofessional/intermediate workforce can be found in the *Mackenzie Research Institute (MRI) submission to the [Skills for Growing Victoria's Economy Issues Paper](#)*. A much wider discussion of reforms to upper secondary education in the OECD and the potential of the reforms for Australia, including a discussion of university colleges, can be found in the MRI publication [Fit for purpose. Reforming tertiary education in Australia Discussion Paper 2019](#).

Australia does not have a diversified university sector. Strong vocational education systems have reliable pathways into higher education and direct pathways into applied universities.

A report by the OECD into the capabilities of VET students to transfer into higher education found that in Australia, students with applied or vocational backgrounds reported a big culture shock when they enrolled in Australian universities. The findings indicate that not only were the formal work requirements greater, but the different culture of higher education and its modes of study contributed to a difficult experience. Adult learning concepts involve very different strategies from theory-based instruction. (OECD. (2019). Kuczera, M and S Jeon, Vocational Education and Training in Sweden.)

It is of great concern that Australia is cited internationally as an example of a country whose higher education system is too narrow and unable to meet the needs of diverse student groups. If access and success are considered important in higher education, a more broadly based higher education system more in keeping with international directions is urgently needed.

At a time when getting a job requires strong educational foundations, Australia has to consider trying to ensure the key elements of effective tertiary systems cater for a wide range of learners with various learning styles. Australia's educational policy is fragmented across multiple institutions and multiple agreements between state and the federal government. It is a laissez-faire approach that no longer serves Australia well.

Reforming vocational education training will not occur unless there is concurrent reform of the upper secondary and higher education level. Australia's educational arrangements are far from world-class.

There are also system advantages of creating a twin track system in upper secondary education. One of the issues that has plagued the VET sector has been the confusion over governance and funding.

The creation of two tracks of education in upper secondary schooling (vocational/professional and academic) would clarify funding and governance issues.

In this arrangement state governments would be responsible for an expanded upper secondary education system that would include Certificates I – III, while the Commonwealth would be responsible for paraprofessional and undergraduate studies (Certificate IV and above).

Not only would this arrangement make vocational education easier to understand in terms of Australia's educational framework, it would remove the need to extend any loan scheme beyond what currently exists. There is no reason why the same loan arrangements could not be applied to paraprofessional studies as exists for existing similar courses in universities.

Conclusion

The Productivity Commission's Interim Report contains a number of misconceptions and revisits failed ideologies. Education has the capacity to transform lives by enabling individuals to gain skills that can improve their life chances. Post-secondary education, combined with an industry policy that is more than rhetoric, can supercharge an individual's fortunes and benefit the wider community.

However, educational policy that is based upon arbitrary demarcations and has only a residual connection to the needs of the wider economy and community only benefits the few and can be a very costly and disappointing experience for many. On almost any measure, Australia's education system has fallen behind comparative countries in the OECD.

VET is the weakest link. Marooned and unconnected to secondary education and to higher education, this arrangement is considered an anathema by all other countries in the OECD. Those countries ensure that students completing upper secondary study are well equipped to choose their own destinations, whether that be into work or further study. VET students can progress without facing institutional barriers to applied higher education. The higher education framework in the OECD is diversified, offering applied universities and academically based universities. Australia does not seem to be able to grasp these fundamental premises.

At a time of considerable job uncertainty and job precariousness, the development of a broad-based curricular with a common core that can be expected to endure should be a fundamental principle of the curriculum. Yet the VET curriculum is locked into a narrow job-focused design that hails from another age.

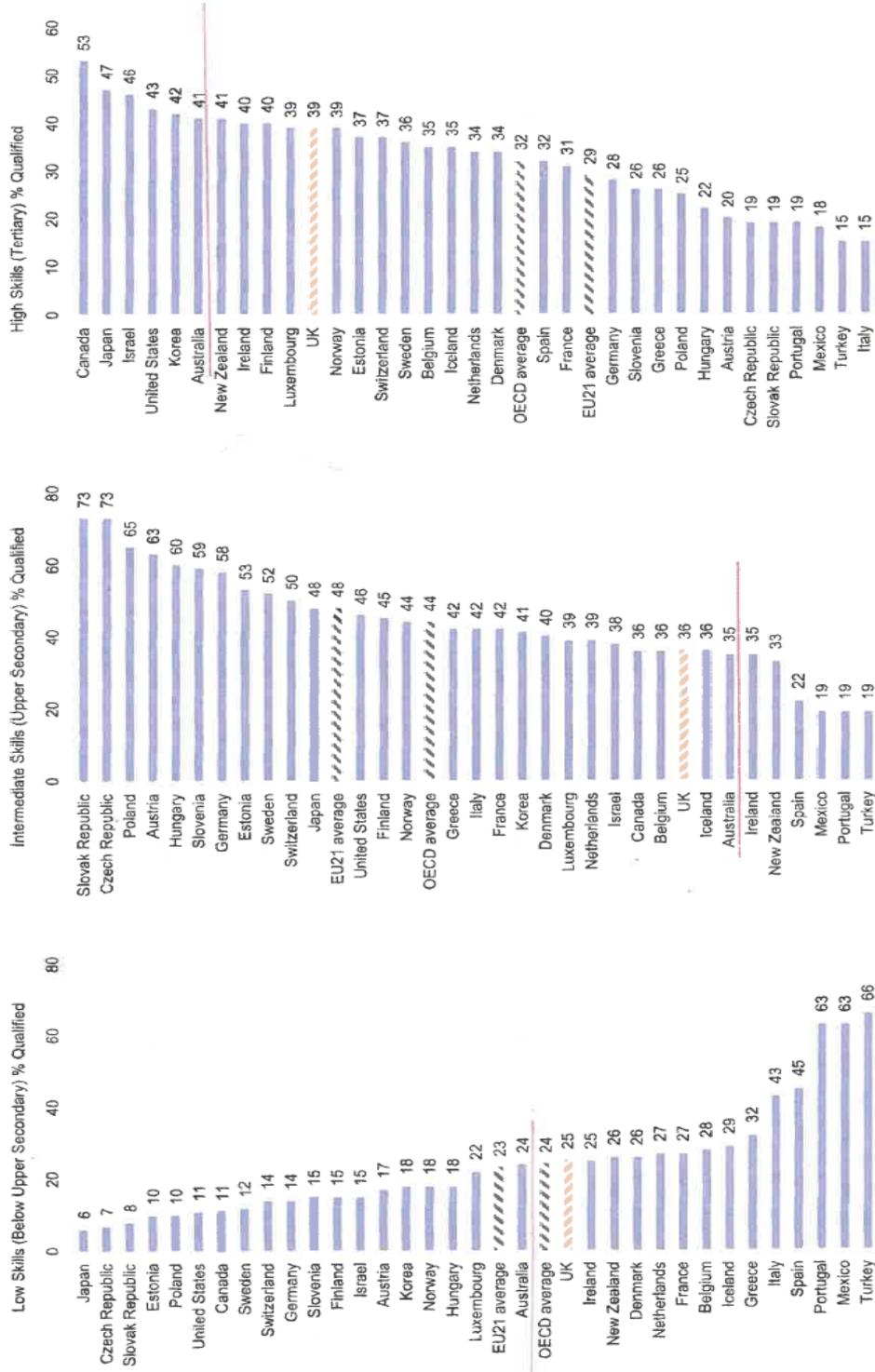
Educational policy, to be relevant to the wider community, needs to reflect the complementarity of skills at all levels in the productive process. A well-resourced and stable policy will maximise student outcomes and meet community demands. It will ensure there are connections between upper secondary education and tertiary education and that those connections can be easily accessed by continuing students and those already in the workforce. The connections afford opportunity for those who learn best in applied settings as well as those who thrive in academic orientations.

The Productivity Commission's interim suggestions for VET are inadequate and, in some cases, wrong. There has been no more critical time in Australia's post-war history than now. Australians have every right to expect their tertiary education arrangements to be world class at all levels. Such a tertiary education system will give all people every opportunity to achieve their career goals. Arbitrary demarcations and the pursuit of failed ideologies have no place in today's Australia.

Bruce Mackenzie
Mackenzie Research Institute
July 2020

ATTACHMENTS

Attachment A Current international skills position



Source: OECD Education Database and Labour Force Survey, ONS. Distribution of the 25-64 year old population by highest level of education attained. Excludes Chile.

Attachment B Correspondence between AQF levels and EQF levels

Examples of national qualification types
 See Appendix 1 for more information on how the levels compare
 (linked to the EQF via NQFs referenced to the EQF)

AQF		EQF
10 Doctoral Degree	8	Third cycle degrees (Doctorate) Higher professional qualifications EE: occ. qual. 'chartered engineer'
9 Masters Degree	7	Second cycle degrees (Master) Higher professional qualifications CZ: 'Chemical engineer product 'manager'
8 Bachelor Honours Degree Graduate Certificate Graduate Diploma	6	First cycle degrees (Bachelor) IE: Honours Bachelor Degree
7 Bachelor Degree		Higher professional qualifications DE: 'Master Craftsman (certified)'
6 Associate Degree Advanced Diploma	5	SCHE qualifications Higher professional qualifications
5 Diploma		
4 Certificate IV	4	Upper secondary general education certificates; VET qualifications
3 Certificate III	3	Secondary education certificates; VET qualifications
2 Certificate II	2	Lower-secondary education Basic VET qualifications
1 Certificate	1	Primary education certificates Basic VET qualifications

Source: *Comparative analysis of the Australian Qualifications Framework and the European qualifications Framework for Lifelong Learning: Joint Technical Report 2016*, Australian Government.

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