The Australian Industry Group

### Education and Training Post pandemic policy

August 2020





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### About Ai Group

The Australian Industry Group (Ai Group<sup>®</sup>) is a peak employer organisation representing traditional, innovative and emerging industry sectors. We have been acting on behalf of businesses across Australia for nearly 150 years.

Ai Group is **genuinely representative** of Australian industry. Together with partner organisations we represent the interests of more than 60,000 businesses employing more than 1 million staff. Our members are small and large businesses in sectors including manufacturing, construction, engineering, transport & logistics, labour hire, mining services, the defence industry, civil airlines and ICT.

Our vision is for *thriving industries and a prosperous community*. We offer our membership strong advocacy and **an effective voice at all levels of government** underpinned by our respected position of policy leadership and political non-partisanship.

With more than 250 staff and networks of relationships that extend beyond borders (domestic and international) we have the **resources and the expertise** to meet the changing needs of our membership. We provide the **practical information, advice and assistance** you need to run your business. Our deep experience of industrial relations and workplace law positions Ai Group as **Australia's leading industrial advocate**. We *listen* and we *support* our members in facing their challenges by remaining at the cutting edge of policy debate and legislative change. We *provide solution-driven* advice to address business opportunities and risks.

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## Contents

Executive Summary5		
1.	Impleme	ent employer-aligned labour market programs7
	1.1.	Broad wage support for commencement of new apprentice and trainee numbers7
	1.2.	Specific youth support programs7
	1.3.	Investment in skills assessment and adaptive training for displaced workers
	1.4.	Short, flexible training for emerging skill needs
	1.5.	Incentives for companies to invest in training for existing workers and work placements9
2.	Support	renewal through education and training system action10
	2.1.	Improved funding for vocational education and training10
	2.2.	Tight national leadership for skills development10
	2.3.	A far-reaching information and communications campaign11
	2.4.	Applied learning principles in all education and training design
	2.5.	Higher level skills programs to meet digital economy needs11
	2.6.	An increase in Australia's STEM capabilities12
	2.7.	Multi-partner industry-training initiatives
	2.8.	Improved foundational learning
	2.9.	VET programs in schools elevated as a major pathway13
	2.10.	Support for education and training providers to re-focus activity14

## **Executive Summary**



Rapid and intense education and training will be a key driver for Australia's economic recovery as we emerge from the prevailing crisis. The way we now respond through education and training will become a major influence on the recovery of the economy and the broader community. An open, high quality education system for skills formation is seen as one of the four key pillars for a well-functioning labour market.<sup>1</sup>

If Australia is to rebuild and provide access to jobs in all emerging and

continuing industries, our education and training outcomes need to closely align with the opportunities in the labour market as they re-emerge. All workers must receive the training needed to allow them to undertake productive and engaged roles in order to better contribute to renewal and innovation in the workplace.

The COVID-19 crisis has occurred at a time when Australia was already suffering from a range of skills issues and its education and training system faced challenges in developing the relevant, quality skills in the timeframes required. Highly skilled jobs were increasingly recognised as important to contribute to roles emerging through digital transformation. The crisis has forced many companies to shift further into new technologies. It has highlighted and created urgency around skills broadly and provides impetus to address them. But they must now be accelerated through renewed strategies and funding measures.

Education and training must be related to business growth needs, integrated with industry strategies and include innovative approaches that better anticipate immediate-, short- and medium- term skill priorities for industry sectors. The training then available must be easy to access and relevant for individuals to gain employment in roles that are often different from the past. Strategies must be developed for all workforce age categories and must facilitate the mobility of individuals by providing recognition of achievement.

Our recommendations focus on major labour market programs supported by necessary education and training system reforms:

#### Implement further employer-aligned labour market programs that:

- increase wage support for new apprentices and trainees to build numbers
- include widespread youth support programs
- assess the skills of, and adapt training for, displaced workers
- scale the range of short, flexible training for emerging skill needs
- provide incentives for companies to invest in training for existing workers and work placements.

#### Support renewal through education and training system action that:

- improves funding for vocational education and training
- continues tight national leadership for skills development
- rolls out a far-reaching information and communications campaign
- incorporates applied learning principles in all education and training design
- develops higher level skills programs to meet digital economy needs
- increases Australia's Science, Technology, Engineering and Maths (STEM) capabilities

<sup>&</sup>lt;sup>1</sup> Shifting the Dial: 5 Year Productivity Review, Productivity Commission, 2017

- facilitates multi-partner industry-training initiatives
- improves foundational learning
- elevates VET programs in schools as a major pathway
- supports education and training providers to re-focus activity.

Innes Willso

Innes Willox Chief Executive Australian Industry Group

#### PART ONE

# 1.Implement employer-aligned labour market programs

New labour market programs that place skills development at their centre must address urgent business needs to re-build the economy and prioritise those most likely to benefit. They must include specific support packages for young unemployed, displaced workers and mature aged workers. Australia needs each of these categories of workers to find relevant meaningful work in order for industry to recover, and support for training is a key to achieving this.

#### 1.1. Broad wage support for commencement of new apprentice and trainee numbers

In May, Ai Group called on the Australian Government to implement universal wage support for apprentices and trainees regardless of the size of the company, the number of employees, age, occupational groupings and geography. Ai Group welcomed the government's Supporting Apprentices and Trainees Wages announcement in July 2020. This announcement was an important step in maintaining current apprentice and trainee numbers, effectively placing a floor in the Australian apprenticeship system, noting that apprentices and trainees had to be in a contract of training effective 1 July 2020.

Further measures will be required to ensure employers are appropriately supported to commence new and additional apprentices and trainees. Timing is critical here. 2020 school leavers will be exiting their schooling facing into the worst labour market in living memory. Well understood university pathways remain intact, however apprentice and trainee options, and work are problematic. Without wage support in various forms, the Mitchell Institute estimates that new apprentices and trainees will decline by 30 per cent within two years. This equates to 130,000 fewer new apprentices and trainees from the start of the pandemic to June 2023.<sup>2</sup> Others suggest that this is an underestimate.

Ai Group encourages the government to extend wage support arrangements to all active and commencing apprentices and trainees in alignment with the recently amended scheme. This needs to be available immediately and capture all apprentices and trainees signed up since 1 July 2020. Furthermore, these arrangements should be extended to December 2021, to ensure that employers are able to make reasonable commitments to the duration of the apprenticeship experience.

Whilst this measure may initially appear costly it is significantly preferable to implement support arrangements aligned around the development of real jobs and genuine skill development. The option of significant numbers of school leavers becoming unemployed is not acceptable. Expenditure to support apprentice and trainee wages is comparable and far more preferable than unemployment payments.

Support for apprenticeship renewal must also utilise Group Training Organisations, which can be multipliers in the recovery. They have wrap-around support mechanisms and experience good completion rates compared with apprentices directly employed by businesses.<sup>3</sup>

#### 1.2. Specific youth support programs

Young people have been disproportionately impacted by the social, economic and health consequences of the pandemic. Experience from previous economic downturns tells us that it also takes at least twice as long for youth employment levels to recover.

<sup>&</sup>lt;sup>2</sup> P. Hurley, Mitchell Institute. May 2020

<sup>&</sup>lt;sup>3</sup> O'Dwyer, L & Korbel, P 2019, Completion rates for group training organisations and direct employers: how do they compare? NCVER, Adelaide.

A national program that provides extensive access to new and redesigned pre-employment programs, including preapprenticeships, in areas of skills need must be introduced. These programs will support young people, as well as other displaced cohorts, by widening their entry-level training options. Pre-employment program re-design should consider existing offerings across jurisdictions and be cognisant of different entry level points across different industries. They should build in relevant work placements and specific regional needs.

Post-COVID-19, it is even more important that support programs help young people navigate, prepare and find training and work. Forty-five per cent of young workers work in the three industries (hospitality, retail, and arts and recreation) most exposed to the economic downturn following the closure of many businesses in those sectors.<sup>4</sup> They are at a disadvantage as the economy opens up. Lack of experience and work readiness are commonly cited as barriers to employment for young people and without support and guidance this has the potential to play out again.

Support programs must help young people deal with health and wellbeing challenges, steer them towards the right training programs and include workplace experiences at their centre. Program designs should explore initiatives being trialled in other countries to determine their adaptability such as Adapt German short-time work model and Career Ready UK.

#### 1.3. Investment in skills assessment and adaptive training for displaced workers

A national support program must be established to assess the skills of existing workers that have been displaced during COVID-19 and then train them to transition into roles required by employers. Assessment must assist them to demonstrate how they can adapt by applying the skills they have developed over time. This assessment and training program must be widely promoted, and the function could be housed within existing job agencies/training providers.

The crisis has seen rapid technology-related impacts in many industries. Workers have had to quickly apply different techbased skills. However it has only highlighted the changing workplace where new practices are being adopted with increasing regularity. Linking lifelong learning to workforce productivity is now essential. To set workers up for the future, the education and training programs must incorporate the transferable capabilities of enquiry, agility, adaptability, creativity and problemsolving.

The acquisition of new skills by older existing and displaced workers, and the refreshing of existing skills, must be met through adaptive training. The current environment presents an opportunity to showcase the valuable skills of mature aged workers and their willingness to move into new roles and industry sectors.

#### 1.4. Short, flexible training for emerging skill needs

As Australia moves out of the current environment, focussed training programs that are aligned with specific job opportunities are needed. The demand from industry for readily available, short form training, present before the COVID-19 crisis, reflects various re-skilling and up-skilling needs as a result of increasing digital transformation.

VET sector qualification design allows components to be easily identified, and higher education institutions have been working towards micro-credential offerings for some years. Examples seen during the crisis include state governments providing free online access by job seekers to single units and skill sets, and Australian Government funding for universities to offer new certificates in high demand COVID-19 industry sectors. Any additional free or low cost training for school leavers and transitioning workers to be offered through the JobTrainer skills package must focus on emerging industry needs, both immediate and longer term.

The crisis has identified the need for short courses at a number of different AQF levels; it has highlighted the need for access to information on offerings for the public; for coherence in offerings; and for information on where credentials sit/how they stack in relation to specific qualifications. The announcement of a new micro-credentials marketplace and the fast tracking of micro-credentials in VET by the Commonwealth, along with states and territories, promises to assist these needs.

The recent recommendations of the Australian Qualifications Framework Review, all accepted by the Australian Government,

<sup>&</sup>lt;sup>4</sup> ANZ Research, Australian Economic Insight, 23 April 2020

have allowed a re-imagining of qualifications. As it is implemented the new Framework will allow for smaller forms of training/micro-credentials to be brought together in a qualification linked to an occupation or a career. The Framework also provides an equitable approach to the integration of knowledge, skills and application within qualifications and considers the needs of individuals in performing specific roles.

#### 1.5. Incentives for companies to invest in training for existing workers and work placements

As some businesses recover, they will need to build new skills as they re-align their businesses or move into new industry areas. Others will need employees to learn new tasks within roles or undertake completely new roles. This will be particularly acute for SMEs, companies that have accessed JobKeeper and for many regional businesses.

Incentives are needed to support the large investments in training that will need to be made by businesses. Financial incentives should be available for training to re-skill for COVID-19 changed business models. While quick learning has necessarily taken place in many businesses during the crisis, these changed practises must be backed up with planned workforce development in order to match skill development in changed directions. Funding to employers could support them to re-develop workforce development plans and contract training providers for training of both new or existing workers.

Additionally, if employers are to be partners in the increased work-based learning arrangements needed within programs that assist with early access to individual workers, support will be needed towards the increased supervisory, regulatory and cost burdens placed on businesses under such models. It is important to support industry involvement to build quality work-based learning models.

#### PART TWO

# 2. Support renewal through education and training system action

There are a number of actions that should commence now to support the labour market programs outlined above, however they also involve longer term, systemic change. Ai Group has advocated support in a number of these areas in the recent past. They must continue to evolve, sometimes in more urgent and reimagined ways.

#### 2.1. Improved funding for vocational education and training

The Australian Government's commitment and actions to overhaul the VET system must remain ambitious and include additional funding. Current funding arrangements are unacceptably inconsistent and incoherent. Ai Group has been concerned about the long-term decline in funding by all levels of government in vocational education and training. Funding for vocational education and training (VET) is at its lowest level in more than a decade and Australia risks failing to properly provide the high-quality training for the 45 per cent of new jobs needing VET qualifications that will be created in the next five years.

The <u>Australian Investment in Education: Vocational Education and Training</u> report from education policy think tank the Mitchell Institute at Victoria University found that every state and territory government had cut funding to VET over the past decade, with funding falling to 15 per cent below 2006 levels.

A completely new funding agreement between the Commonwealth and the states and territories must address efficient national pricing, and better coordinate the combination of subsidies, loans and other funding, as well as addressing the decline in overall VET funding. The Productivity Commission's Interim Report in its Review of the National Agreement on Skills and Workforce Development presents a strong vehicle to achieve reform in this area.

#### 2.2. Tight national leadership for skills development

There is a need for strong national skills leadership and cooperation between the Commonwealth and the states and territories in order to realise a step-change in our skills formation. The level of cooperation that has occurred through the National Cabinet throughout the COVID-19 crisis is a model to emulate in order to reach broad agreement along with flexibility across education and training systems.

The role of recently formed bodies such as the National Skills Commission and the National Careers Institute will be important for policy coherence, as will strong input from industry and the community sector to develop consistent short and medium-term strategy. This leadership oversight must include labour market skills demand and forecasting analysis, with a genuine skills alignment process for priority industries and emerging markets. It is anticipated that different skills needs will emerge from a range of industry sectors. Processes will need to take into account the impacts on sectors; the potential for sustained structural changes; each sector's employment characteristics; and the availability of relevant VET qualifications and certifications.

There must be an acceleration of many aspects of the substantial VET system reform activity that had been underway prior to the crisis. The announcement of a revised approach to the structure of the VET Reform Roadmap around the pandemic crisis and recovery suggests a welcome re-examination of some components that were to have been implemented over five years. Aspects of the Roadmap have indeed been partially actioned through urgent responses to COVID-19 related training needs. Temporary measures have meant that new short courses and micro-credentials have been funded and developed and some apprenticeships and traineeships have attracted additional funding support. Public RTO capability and capacity has been built, and new course options have focussed discussion on the need for the revised AQF to be implemented.

It will be important to strengthen the alignment between VET and higher education, seen as a destination in the Roadmap, in

order to open up opportunities and integrated pathways for individuals to develop skills needed by industry. There are broader issues that must also be addressed between the sectors including funding equity, student loans and parity. Ai Group called for a more coherent and connected tertiary education sector in its recently released paper, <u>Realising Potential: Solving</u> <u>Australia's Tertiary Education Challenge</u>. The paper identifies a number of issues, including the significant shift in recent years by young people into higher education rather than VET.

#### 2.3. A far-reaching information and communications campaign

Clear information must be ever-present for individuals looking for work opportunities and needing to develop skills, whether young unemployed or displaced existing workers. Any training they require must be easily identified and easily accessed. Support services must assist in enabling them to access just enough quality training to get them into paid work as soon as possible, potentially in 'learn and earn' models. These individuals will need help in identifying where their best employment opportunities may lie, in identifying their own capabilities, in identifying what skills they need to develop, and in accessing opportunities to develop those skills. The information must include information on emerging employment opportunities in different industry sectors, as well as those arising from industry restructuring.

For young people this information must be incorporated into careers resources and counselling, with increased support for innovative industry- school engagement projects.

Notwithstanding the new Australian Government Jobs Hub initiative, a re-consideration of the relatability of, and awareness of, existing sites – such as My Skills, My Future, Job Outlook and QILT should be undertaken.

#### 2.4. Applied learning principles in all education and training design

The rapidly changing work environments and skill needs thrown up by COVID-19 are best served by learning that is connected to and closely reflects workplace skills, such as work-based and work integrated learning models. This design principle must be more widely explored so that workplace learning is recognised as a key delivery component in all tertiary education. This includes employment-based learning models typified by apprenticeships, traineeships and cadetships, but also internships/placements, where formal training is augmented by training on-the-job, over time, from other skilled workers. Apprenticeships and traineeships have generally been delivered at the Certificate III level, but these models should now be designed for more highly skilled occupations.

During the COVID-19 crisis universities have worked hard to establish innovative work integrated learning arrangements for students, including remote internships and placements, projects and consultancies undertaken by students. An incentives program to support businesses to take on students who can undertake projects that assist both short term skill gaps and longer term workforce planning is needed.

It is important that the National Priorities Industry Linkages Fund (NPILF), included in the Job-ready Graduates Package, provides a framework that steps up engagement between universities and industry on a range of quality innovative WIL activities. The National Strategy on WIL in University Education remains a key document from which strategies and actions can be developed. The NPILF's brief to facilitate research partnerships is also welcomed. Equally as important as work integrated learning is the fostering of stronger connections for research and development through the Fund.

#### 2.5. Higher level skills programs to meet digital economy needs

It is now even more vital for the recovery that higher apprenticeships, traineeships and cadetships are introduced across industry areas to meet the need for creeping skill levels driven by digital transformation and fast-tracked by the crisis. Automation was already disrupting skills, through reallocations of employment between tasks, sectors and regions. Labour demand is shifting towards higher level, more cognitive skills for which many workers are not adequately trained. The demand combines a mix of technical and people skills.

Businesses are now more likely to develop new digital strategies which have implications for their workforce development. Employers need tools for employees to perform in digitised workplaces and apply best practice. Before the crisis, Ai Group's research had shown that employers were prioritising managers for digital technology training. This need for management development is likely to have been heightened by the acceleration into digital systems by many companies. Managers must determine how to use their technologies to enable their people.

A broader range of new priority occupations should be identified for higher skill programs in order to increase participation. STEM skills and transferable skills can be developed through Diploma-level traineeships in technical occupations and management skills developed through Diplomas for para-professional occupations. An example is the Diploma of Applied Technologies, which underpins the Industry 4.0 Higher Apprenticeship Project piloted by Ai Group and focuses on high level digital skills for technicians.

Higher apprenticeships have gained interest from both industry and potential apprentices. Ai Group undertook a pilot focused on high-level technical skills in engineering and digital technology, in partnership with Siemens and Swinburne University. This program trained higher apprentices in a Diploma and Associate Degree in Digital Technologies and the model is now being rolled out across Australia.

There are challenges in making higher apprenticeships more broadly available. State Training Authorities currently recognise only VET-level qualifications as apprenticeships or traineeships and industrial awards generally do not make provision for them. This underscores the importance of national tertiary policy and funding coordination across the jurisdictions in overcoming challenges to roll out higher apprenticeships.

Within the higher education sector the Job-ready Graduates Package NPILF's brief to develop new higher education advanced apprenticeships will greatly assist the needs of industry.

Different higher apprenticeship approaches have been implemented in the UK, France and the US. These approaches have the twin benefit of increasing the level of qualification awarded for apprenticeships as well as extending the scope to non-trade and more para-professional occupations. In the UK the higher apprenticeship framework covers qualifications in a wide range of occupations not usually associated with apprenticeships such as: accounting; advertising and marketing communications; banking; care leadership and management; construction management; facilities management; information security; legal services; life sciences; power engineering; and supply chain management.<sup>5</sup>

#### 2.6. An increase in Australia's STEM capabilities

As Australia moves to re-establish and grow its economy, particularly in manufacturing areas, the Science, Technology, Engineering and Maths (STEM) skills shortfall that had been experienced for some years must be remedied. A major focus must be given to growing the STEM workforce, especially in areas of the economy where critical skills shortages had already existed. While longer-term solutions to the STEM skills shortfall concentrate on the school sector, there is much to be done to reduce short-term pressure on current shortages. Support for existing workers to retrain in STEM areas will also assist to meet the short-term needs of the economy.

Strategies are also required to meet the needs of SMEs to secure the necessary STEM skills, given their prominence in the economy. Governments can support these companies via networks or clusters and engagement with group training companies.

The Australian Government can take a leadership role to step up the development of these capabilities in conjunction with industry. A renewed approach is needed to address school, university, VET and industry involvement. Sufficient resourcing is required to develop a coordinated and systemic response to the issue.

#### 2.7. Multi-partner industry-training initiatives

Defence against COVID-19 has led to a number of beneficial partnerships across industry, governments and the community. Moving forward, improvement actions must be underpinned by closer partnerships between industry and all education and training sectors. Rapidly changing work environments and skills are best served by learning that is connected to and closely reflects workplace skill needs.

<sup>&</sup>lt;sup>5</sup> Employer Guide to Higher Apprenticeships, National Apprenticeship Services, 2014.

A system of regional and local hubs that develop strategies to meet local skill needs and tackle unemployment will assist large and small companies and students to create innovative solutions and boost local innovation systems. They can develop industry-student-provider engagement models that foster and increase relationships and result in industry-tuned workforce entrants. A range of initiatives already exist in Australia and globally, spanning those organic and local in nature to those that are part of co-ordinated country-wide models. Activities have been initiated by individual companies, industry associations and agencies, levels of government and education and training providers aiming to co-create skills ecosystems. Funding and support that accompanies these initiatives ranges from financial incentives, education vouchers, training grants and scholars and general tax deductions.<sup>6</sup>

In Australia's regions in particular, such partnerships can lead to better alignment between secondary, vocational and higher education and assist teacher and trainer upskilling in vocational and higher skill tech-related areas.

As an example, the Centres of Vocational Excellence initiative was piloted in 2019.<sup>7</sup> It uses a broadly central framework that encourages operations within a given local context, bringing together centres that share a common interest in specific industry sectors/trades. It also cultivates innovative approaches to tackle social challenges which are now exacerbated through the COVID-19 crisis. Each centre aims to bring together a set of local/regional partners such as VET providers, universities, research institutions, companies, chambers and associations, social partners, national and regional authorities to actively co-create skills ecosystems.

Other notable initiatives include the Katapult network in the Netherlands; ANH Education Network, Germany; Trailblazer Industrial Partnerships, Germany; Manche Open School, France; and Technology Pact, Netherlands.

#### 2.8. Improved foundational learning

As the economy moves out of the COVID-19 crisis, there remains an urgent need to address the language, literacy and numeracy and digital literacy (LLND) skills needs of the existing Australian workforce as well as those seeking to enter it. Poor literacy and numeracy will hamper the re-build of productivity, labour mobility and the capacity of the economy to achieve the higher levels of skills needed for the increasingly knowledge-based economy.

Ai Group's 2018 workforce development skills needs survey<sup>8</sup> found 99 per cent of employers experienced low levels of literacy and numeracy that had an impact on their business. In the post-COVID-19 era the economy must lessen the number of individuals with poorly developed literacy and numeracy skills who are at greater risk of disengaging from learning and fully participating in the workforce.

While it is encouraging that the recently released Foundation Skills Training Package recognises foundational literacy and numeracy now includes digital literacy skills, the COAG National Foundation Skills Strategy for Adults must be updated to recognise the impact that digital transformation is having on the workforce, especially on low skilled workers performing tasks in jobs, occupations and industries impacted by digital disruption.

Workplaces need support under a refreshed national LLND strategy. It is hoped the Australian Government's recently announced Foundation Skills for Your Future program provides the level of support required for companies to thrive in the post-COVID-19 phase. The component involving Employer Workplace Training projects promises to deliver the LLND training required to up-skill and re-skill employees. Previous Ai Group tailored employer pilot projects to upskill employees have proved successful in building LLND skills.

#### 2.9. VET programs in schools elevated as a major pathway

In section 1.2, Ai Group proposes both a re-design and increase in pre-employment programs, including pre-apprenticeships. Complementing that proposal, attention must be given to all VET programs delivered in schools. They provide work-based

<sup>&</sup>lt;sup>6</sup> For example, High Tech Skills for Europe. *Scaling up best practices and re-focusing funding programmes and incentives*, European Commission, Interim Report, 2018.

<sup>&</sup>lt;sup>7</sup> Summary of the main features of the initiative on platforms of Centre of Vocational Excellence, European Commission, 2019.

<sup>&</sup>lt;sup>8</sup> Skilling: a National Imperative, Australian Industry Group, 2018.

learning opportunities that will afford invaluable exposure to the new real-world situations arising from the crisis, assisting both students and businesses.

Moving forward the Australian economy cannot allow the declining participation in VET programs delivered in schools in recent years.<sup>9</sup> State government reviews<sup>10</sup> have identified barriers to pursuing a pathway through vocational education and training. The profile of VET programs delivered in schools and reforms in this area of learning must be intensified through National Career Institute initiatives and reviewing the outcomes of the Review of Senior Secondary Pathways into Work, Further Education and Training.

Greater assistance is needed for industry, especially SMEs, to improve partnerships between schools and industry, bolster student work-based learning opportunities, mentoring, compliance, induction, work health and safety standards, and cooperation on aligning educational outcomes to curriculum and employment outcomes.

#### 2.10. Support for education and training providers to re-focus activity

As well as throwing up short form training needs, the crisis has exposed other challenges that Australia's higher education and VET sectors have been facing over recent years.

The crisis has already shown that Australia's VET system is critical to ensuring industry has the skilled workforce it needs, however before COVID-19 industry suffered from inflexibilities and long program development and review periods. Higher education, as the important developer of advanced critical enquiry, had experienced changing funding and policy settings, and faced questions about relevance of graduates' skills and employability.

Ai Group had argued that a number of issues dogging the two sectors and impacting their effectiveness could be addressed through a more connected tertiary sector.<sup>11</sup> Recent COAG reform work to investigate greater coherence should continue. Any reform initiatives must ensure complementarity, with subsidy levels that drive individuals towards a sufficient level of education and training that is appropriate to them and needed by the economy.

In the higher education sector, the release of the Job-ready Graduates Package in June was welcomed by Ai Group as a commitment to increased funding to the sector, although some concern was expressed that, while much-needed, the focus on STEM skills should not be at the expense of humanities disciplines. Ai Group considers the two new funds – the National Priorities Industry Linkages Fund (NPILF) and the Indigenous, Regional, Low Socio-Economic Status Attainment Fund (IRSAF) – to be worthy initiatives however it is important that the sector receives real increases in funding and not simply a repurposing of funding streams. The proposed package requires some review to ensure it does not drive perverse incentives within the system.

The NPILF promises to improve the connections and collaborations between business and universities that Ai Group has long been encouraging. The focus on work integrated learning is important but it is vital that through the Fund stronger connections for research and development are nurtured during the development of outcomes and quality performance indicators for the sector.

Capacity and capability building is required within education and training providers as they become more flexible in designing and offering training. Training providers will need support in developing their capabilities that produce flexible training solutions and that recognise skills developed elsewhere. Now is an opportune time to experiment with new ways of organising and delivering curriculum. RPL will be critical for many individuals who may have previously worked in skilled occupations in other industries, so providers will need to ensure recognition is appropriate and easy to access.

With the onset of COVID-19, providers across Australia acted swiftly to switch to distance and online learning, leaning on the online learning options and systems they already operated. Tertiary education and training providers will need continued support to develop sophisticated new pedagogies that retain quality in education, training and assessment and bring learning

<sup>&</sup>lt;sup>9</sup> According to NCVER data

<sup>&</sup>lt;sup>10</sup> For example New South Wales Government's Curriculum Review South Australian Review of VET for School Students <sup>11</sup> Realising Potential: solving Australia's tertiary education challenge, Australian Industry Group, 2019

alive to engage students. Wider and deeper application of technologies to complement traditional education techniques will be a necessity.

The crisis has meant that more companies need to engage with education and training providers to partner in training activity. Providers need to reach out and develop mentoring capabilities to nurture the development and application of learning tools and programs. Creative collaboration with industry to enable engagement by students and teaching staff must reach a new level to ensure learning relevance. Funding should be provided for pilots in new teaching and learning strategies, building in co-design with industry.



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