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**Submission in response to the House of Representatives Standing Committee on Employment, Education and Training's inquiry into the perceptions and status of vocational education and training.**

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Thank you for the opportunity to make a submission in response to the House of Representatives Standing Committee on Employment, Education and Training's inquiry into the perceptions and status of vocational education and training (VET).

The University of Technology Sydney (UTS) believes that a strong and vibrant VET sector is a critical component of a strong education sector. VET has an important role as a significant contributor to addressing skills shortages, preparing and training people to access new employment opportunities and supporting people to overcome social disadvantage.

**At UTS, we are keen to work with government, industry and the VET sector (particularly TAFE) on initiatives that provide better opportunities to prepare students for a future of lifelong learning in a range of fields.** From UTS's perspective, the States and Commonwealth need to work together to create a more sustainable and consistent funding and regulatory model across Australia's VET and HE systems. Changes to current funding settings need to better incentivise collaboration, co-design and innovation across industry and providers, and provide students a smoother transition across different loan and fee settings.

We encourage the Standing Committee to examine the Commonwealth Department of Education's 2021 review of [University-Industry Collaboration in Teaching and Learning](#) and in particular consider recommending the adoption of Recommendation 7: "Build stronger cross-sectoral partnerships of higher education and industry, in collaboration with VET and/or schools, including the introduction of a cross-sectoral teaching and learning innovation fund to drive immediate progress in areas of partnerships and pathways". Such a fund would enable a range of initiatives to be piloted and evaluated, forming an evidence base for future investment.

**Overarching recommendation:** That government initiate a formal TAFE/University coordinating council, comprised of senior representatives from government and the tertiary sector, to address issues currently at the intersection of VET and HE including qualifications, reciprocal recognition of prior learning, collaborative courses, provider funding models and student funding (preferably with a commitment to Commonwealth Supported Places for joint courses).

### **Terms of Reference and UTS's Response**

Information available to students about VET qualifications and related career pathways along a student's journey through secondary schools, vocational education, higher education, and work transitions.

UTS response: The concept of lifelong learning is important when considering career advice. The way this information is presented to key stakeholders, including students, career counsellors, parents and employers, is critical. Rather than depicting linear career pathways, there should be a demonstration of how careers and lifelong learning pathways intersect over time – this should be structured to reflect each student's interests, aptitudes, informal learning and formal learning.

**Recommendation:** Information on the range of post-school options should be provided to school students, including current and future occupations and the range of learning pathways available to enter them. Further, information on sectors and sub-sectors of the economy and the skill sets required at different levels in those sectors may encourage students to think of their career development in a more scaffolded way.

Perceptions and status of the VET sector and how this may be impacting student enrolment choices, employer engagement, and recruitment and retention of the VET educator workforce.

UTS response: The NSW 2021 report [In the same sentence: Bringing higher and vocational education together](#) is particularly relevant to this aspect of the inquiry as it delves into the perceptions and status of the VET sector and how this impacts student enrolment choice. Broadly, the report concluded that:

- The problems plaguing VET in NSW are national in scope. Across Australia, skills development has not received the level of government investment required, in part reinforcing an increasingly prevalent public perception that VET is less valuable than higher education.
- This misconception is too often unwittingly instilled in students while they are still at school. Compelling students to opt for a university degree, for which there are no upfront costs. On graduating, the data shows that a significant proportion then move to VET to enhance their employability.
- Given the limited availability of professional career advice, many Australians believe that the demand for vocationally qualified workers is in decline. However, the most recent data on occupational skills shortages released by the Commonwealth Department of Education reveals a significant deficit of vocational skills.
- Many occupations in short supply depend on vocational trade certification (such as mechanics, panel beaters, plumbers etc). A rapid rise in demand is also forecast for employees with Certificate III and IV qualifications in childcare, aged care, disability care and community support.

The NSW Government accepted all five recommendations of the NSW VET Review and work is underway to implement them:

- [Careers NSW](#) was established in 2022 to provide lifelong careers information, advice and professional guidance for NSW residents at any stage of their career, wherever they live.
- The NSW Government is piloting a new form of tertiary education known as [NSW Institutes of Applied Technology](#) (more information below).
- Advocacy efforts are underway for VET student loans, similar to the Higher Education Contribution Scheme (HECS), to be expanded to include Certificates III and IV.
- The NSW Government is looking at how to improve the quality of vocational education made available in high schools.
- Industry is actively co-designing VET course curriculums in place-based locations such as the Western Parkland City, otherwise known as the New Education and Training Model.

### **NSW Institutes of Applied Technology (IAT)**

IATs are a distinctive form of tertiary education – blending VET and higher education with a focus on preparing students with industry-based employability skills to meet emerging workforce needs. IATs are not ‘Super TAFEs’, nor ‘dual sector’ institutions. IATs do not replace university-based programs that already deliver foundational or bridging courses to HE students.

It is the education delivered that is distinctive: the IATs will embed and integrate practical and theoretical components of tertiary education throughout its curriculum by bringing the best of academia and industry together. The IATs are aiming to address shortcomings in the tertiary system, such as responsiveness to changing industry and student skills and training needs. Students will have access to stackable microskills and micro-credentials, which are recognised by education partners.

Two TAFE NSW-led IAT pilots are in development, with a third pilot planned for a regional location:

1. IAT Digital in Meadowbank

- Focused on big data, cyber security, software development and artificial intelligence.
- Courses are delivered in partnership with Microsoft, **UTS** and Macquarie University.
- The campus is opening in March 2023, and enrolments are now open: <https://www.tafensw.edu.au/iat>

## 2. IAT Construction

- Focused on project management, leadership and digital construction skills.
- Courses will be delivered in partnership with Western Sydney University and CPB Contractors.
- The campus is under construction at Kingswood and opening in May 2023.

The NSW IAT model is an important pilot which, if successful, could be supported and expanded by the Commonwealth. The NSW Government has committed \$108.5 million over four years (on top of \$222.5 million to design and construct the two IATs) to operational funding and capital expenditure as part of the 2022-23 NSW Budget. At present, many courses for these pilots are free to students (more than 26,000 students are expected to take up the opportunity).

Immediate priorities to support the IAT program are as follows:

- A Commonwealth co-contribution
  - Targeted funding through a grant scheme style co-contribution for development and delivery of innovative course offerings / curriculum under the IAT, with a focus on micro-credentials, to meet industry needs.
  - A co-contribution for the IAT will enable development and delivery of micro-credentials, covering VET content, higher education content, or content from both. This would support the viability of innovative offerings and be an effective way to test and pilot agile course offerings.
  - Micro-credentials under the IAT are rigorous, high quality, flexible, transferable (as opposed to niche, fit for a specific employer only), and address gaps in educational offerings to meet industry needs.
- Dedicated Commonwealth Supported Places
  - The Commonwealth should make new Commonwealth Supported Places (CSPs) under the Commonwealth Grant Scheme (CGS) available for the IATs.
  - This will incentivise the participation of university providers and make HECS support available for IAT students.

More information about the IATs is available from here: <https://education.nsw.gov.au/skills-nsw/skills-initiatives/institute-of-applied-technology>

**Recommendation:** UTS recommends consideration of NSW's approach to VET and pathways between VET and HE as demonstrated by the IATs.

Commonwealth programs which could influence partnering, and intersections with state and territory, industry, and philanthropic efforts, including any structural barriers to improvement.

UTS response: Broadly, the greatest structural barrier to delivering integrated VET and university course offerings are the different funding models that apply to both sectors. UTS draws the Standing Committee's attention to the Australian Universities Accord process where this is under consideration. UTS takes the view that while models for undergraduate, postgraduate and research education are well understood, internationally calibrated and often professionally recognised, other models of learning (including microcredentials and shorter forms of learning) and education at the intersection of VET and HE need

more support. UTS is keen to work with the Commonwealth and other universities who are also trying to work more collaboratively with the VET sector to design a system which has the learner at the centre.

**Recommendation:** That the Government consider tasking Jobs and Skills Australia with convening roundtables focussed on the different elements of the challenge: barriers to the VET and HE interface and developing possible solutions to enhancing TAFE/university partnerships.

UTS appreciates the opportunity to contribute and would welcome future engagement with the Standing Committee. Please do not hesitate to contact Amy Persson, Head of Government Affairs and External Engagement ([amy.persson@uts.edu.au](mailto:amy.persson@uts.edu.au)) should you wish to discuss this submission further.