



**TAFE
DIRECTORS
AUSTRALIA**

SUBMISSION

Employment Taskforce, Treasury

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About TAFE Directors Australia

[TAFE Directors Australia \(TDA\)](#) is the national peak body that represents Australia's network of state and territory publicly owned Technical and Further Education (TAFE) institutes and university TAFE divisions. All TAFE institutes and TAFE divisions of dual sector universities across Australia are [members of TDA](#). TDA members range from the largest registered training provider in Australia, TAFE NSW to regional TAFEs with significant geographical coverage such as North Regional TAFE (WA). The primary business of TDA members is vocational education and training focusing on nationally accredited qualifications and skill sets, non-accredited training for bespoke employer purposes, and foundation skills. Over half of TDA members also deliver higher education.

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Introduction

TDA is grateful for the opportunity for a collaborative approach between the Commonwealth and State and Territory Governments on the development of vocational education and training (VET) policy. It is positive that the Commonwealth Skills and Training Minister has publicly indicated that TAFE will be included in discussions around key issues under the new Skills Agreement, including skills shortages and future skills needs.

TAFEs' unique profile(s) make them well placed to engage with issues around skill shortages and workforce participation, providing relevant insight into training delivery issues and approaches, sector leading expertise and experience, as well as deep connections with industry partners and local communities.

TDA offers the following commentary on the terms of reference for the White Paper. Section 5.3 holds the most relevance for TAFE and the VET sector.

1. Full employment and increasing labour productivity growth and incomes, including the approach to achieving these objectives.

TAFEs are well placed to contribute to labour productivity growth and incomes for both industry and new entrants, people re-engaging with the workforce, and people who want to progress or change their career.

Danielle Wood, CEO of the Grattan Institute in her presentation at both the TDA Convention 2022 in November and the Jobs and Skills Summit in September 2022 said, "some people otherwise at the fringes of the labour market — young people looking for their first job, people with a disability, older workers, and the long-term unemployed — are now seeing doors open in ways they haven't in the past." These are key target groups for TAFEs. TAFEs focus on those seeking to gain skills and qualifications either for their first job or for increased participation through improved skills to achieve higher level jobs.

Many TAFE students are second chance learners (those who have not previously acquired qualifications) and require extensive support. TAFEs play an important role in supporting key cohorts such as First Nations, women, regional and migrant learners. In terms of the student population, the [2021 NCVER data](#) shows that TAFEs continue to have above average representation from students:

- who identify as indigenous (6% versus 3% at private providers)
- who identify as having a disability (7.6% versus 3.3% at private providers)
- who speak a language other than English at home (19.1% versus 12.9% at private providers).

TDA welcomes the free-fee TAFE announcement including the wrap around services that accompany these places. These wrap around services are critical for these cohorts of participants to achieve success and for long term full employment outcomes.

2. The future of work and labour market implications of structural change.

It is important to note that national frameworks for the design and application of VET qualifications remain too rigid, restricting responsiveness to a rapidly evolving economy. Previous and current national frameworks (the AQF and VET qualification design framework) have focused on regulatory compliance, rather than flexibility and agility to respond to

changes in the economy, including for example the rapid need for digitisation. While there are proposed improvements to the qualification design process, TDA and its members consider these changes may not be sufficient to enable agile responsiveness for employers.

2.1. Building a sustainable care economy in the context of an ageing population and other drivers of demand for care services.

An ageing population will need both increased services and opportunities to continue to engage in the labour market for longer. TAFEs offer learning opportunities for all adults and are critical to delivering Australia's lifelong learning goals by supporting people to engage in new skills development throughout their working lives. TAFEs provide supportive learning environments and this needs to be recognised in improving workforce participation.

Aged care and early childhood education are predominantly VET-trained practitioners and face significant workforce attraction and retention issues in the care economy. Challenges include wage issues, digital literacy skills of both graduates and existing workers to enable virtual service delivery, prioritising VET delivery for agile responses to skills shortages, and providing financial incentives for completion of qualifications.

The TAFE learning environment is designed to be supportive and relevant to ageing populations. The training system can play an important role in this space by being responsive and agile through the development of micro-credentials to enable reskilling of the existing workforce.

When we turn our attention to the care economy, the first step towards building a sustainable care economy is ensuring wages are adequate for complex care roles. In addition, there must be better recognition of the value of care workers and a focus on quality in their training. However, TAFEs are reporting declining enrolments in aged care related qualifications (e.g. Certificate III in Individual Support). Industry must therefore take responsibility for learner demand.

Some of the ways this can be achieved is the movement from casualisation to permanent staff in the care industry. Additionally, TAFEs provide students for work placement and through this experience the care industry can reduce recruitment costs by using work placements for selection of a future workforce. Astute employers are recognising that student work placements are opportunities for recruitment. Facilitating more 'learn while you earn' in the care economy is needed.

Nursing is the largest of the health professions, and it plays a crucial role in determining national health outcomes. Enrolled nurses must complete a Vocational Education and Training (VET) diploma in nursing (which takes approximately 18 months), and work under the supervision of registered nurses. Registered nurses practise independently and hold bachelor's level (3 year) qualifications. Nurse practitioners are educated at the master's degree level to manage entire episodes of health care. Eighty per cent of nurses are registered nurses, 20 per cent are enrolled nurses, and less than one per cent are nurse practitioners. TAFEs train approximately two thirds of enrolled nurses in Australia. Enrolled nurses represent a critical part of the health workforce but are often overlooked because of a lack of understanding about their role and scope of practice.

The restriction on the number of places TAFEs can offer for enrolled nurses are due to limitations placed by the Australian Nursing Midwifery Accreditation Council (ANMAC). This

must be considered, as must the total number of enrolled nurses as a percentage of the workforce. Additionally, better defined pathways for entry and progression through care roles will serve to attract more people into the care economy (e.g. Certificate III in Individual Support; Diploma of Nursing; Bachelor of Nursing).

2.2. The energy transition and tackling climate change to achieve net zero.

As the renewables industry grows, there are significant gaps in the skills needed for Australia's clean energy future. TDA supports this focus being one of the first priorities of Jobs and Skills Australia. Given the increasing demand for nationally recognised qualifications, skill sets, short courses, and micro-credentials for these emerging industries, [TAFEs across Australia are already collaborating with industry](#) to address the need for a rapid and agile approach to clean energy skills training.

As an example, in 2022 [TAFE Queensland signed a Memorandum of Understanding \(MoU\) with Ark Energy Corporation Pty Ltd](#) to strengthen Queensland's emerging renewable hydrogen industry. Through the partnership, TAFE Queensland will deliver training to upskill and reskill Ark Energy's workforce along with its affiliated companies, including Sun Metals and Townsville Logistics, to ensure the safe production, handling, and use of hydrogen across various applications in the energy transition and ultra-heavy transport to reduce CO2 emissions. The aim of the partnership is to help fast track the development of the industry and ensure both Ark Energy and Queensland is equipped with a highly skilled, job-ready future workforce to meet demand.

In addition, a foundational group of TAFEs, led by TAFE SA have come together to determine how best to meet critical emerging industry training needs in the hydrogen industry. To date, there are several TAFEs involved across Australia.

Federation University in Ballarat, Victoria opened Australia's first renewable energy training tower in March 2022. The 23-metre-high tower is Stage 1 of the Asia Pacific Renewable Energy Training Centre (APRETC). Renewable energy companies Vestas, ACCIONA Energia, GPG and Tilt Renewables provided \$1.8 million for APRETC with the initial business case funded with \$50,000 from the Victorian Government. With the opening of the wind turbine training tower, Federation TAFE is now delivering Global Wind Organisation (GWO) Standard Basic Safety Training and Basic Refresher Training. Federation expects to eventually train over 600 people a year, providing a pipeline of skilled workers for the fast-growing wind energy sector.

TAFEs are contributing to sustainability ambitions and reducing greenhouse emissions in other innovative ways. The new [TAFE Queensland Gold Coast Robina campus](#) opened its doors to students in 2022. It is the first Vocational Education and Training (VET) campus in Australia designed from the ground up to be sustainable in building, fit-out, procurement, curriculum, operations and culture. The first cohort will graduate in 2023 with not only their qualification, but knowledge and commitment to sustainability.

TAFEs work best when they are enabled to work together with industry. They must also be able to respond quickly to create training products to meet the specific needs of their industry partners. TAFEs are part of the local solution for delivering clean energy skills and can deliver at scale. It is important to note that we do not yet have a full picture of what this market will demand, so agile innovative solutions will be needed in training product

development. What is known, is that TAFEs will be able to promote the development of these skills in regional areas; TAFE will be able to promote greater school to VET pathways in these industries; and if given sufficient flexibility, TAFE will be able to facilitate the co-delivery of training from industry experts – i.e. using the VET trainer workforce to leverage from the expertise within industry.

2.3. The transformation associated with digitalisation and emerging technologies.

The national training system in its current form is struggling to keep up with the transformation associated with digitalisation and emerging technologies. For example, most existing jobs now have increased requirements for higher levels of functional digital capability, however this is not reflected in the outdated training products produced by industry themselves. TDA advocates for flexibility within all training products across all industries to meet these evolving needs.

TAFEs can play an important role in improving digital literacy. They also play a role in improving equitable access to education and training through digital and connected learning platforms. For example, TAFE NSW has [TAFE Digital](#) and [Connected Learning Centres](#). There has also been an increase in digital service delivery and a need to upskill the existing workforce to provide these opportunities.

2.4. Building more resilient supply chains in a changing geopolitical landscape.

From TAFEs' perspectives it is important that their contribution to the supply chain is considered, including being public providers of skills development offshore that will ultimately benefit the Australian workforce. Many opportunities exist for government-to-government negotiations that can help underpin TAFE as the trusted provider with our close neighbours.

Another factor for consideration is international education exports (i.e. mutual qualification recognition frameworks), increased promotion of VET as well as higher education, and developing training specific to international markets.

2.5. The adaptability of our workforce to meet the needs of emerging industries and areas of traditional economic strength.

Australia must create an environment which fosters innovation and enables immediate solutions for skills development in emerging industries. Current VET qualifications are developed for industries of today not industries of tomorrow. To date, the current process of training package development has not encouraged (or funded) involvement by those with deep education capability, nor local employer knowledge, to enable tailored outcomes.

For example, a successful new qualification developed by TAFE Queensland to meet future skill needs in partnership with BHP Mitsubishi Alliance was the development of the Certificate II in Autonomous Technologies. This new training product was developed outside the current construct of the national training package environment and was in response to a specific employer demand.

Another example includes [TAFEcyber](#) – a consortium of TAFEs from across Australia which focuses on the education and training of skills for the increasingly in-demand cyber security workforce. The TAFEs themselves identified the significant gap in cyber training in the

national system and developed their own course content and qualifications. TAFEcyber is backed by key government and industry partners including AustCyber and Ionize. TAFEs now offer cyber security training ranging from Skillsets to the Advanced Diploma of Cyber Security. In 2021, over 85% of enrolments in the Certificate IV in Cyber Security are at TAFE.

TDA members also have a large percentage of the apprenticeship market. The delivery of apprenticeships should be subject to local conditions and an industry lens. It is the collaboration between employer, union, State/Territory government, TAFE and student that will deliver capable employees more quickly. It is important to acknowledge that an apprenticeship now takes many forms, including Diploma qualifications in emerging industries, culturally specific apprenticeships for different regions and increased recognition of current competence. Support for the role TAFE can play in this tripartite relationship which is largely place based will improve outcomes.

A further consideration here is the role that TAFEs play in upskilling and reskilling the existing workforce. This includes micro-credentials to enhance work readiness, upskilling and reskilling, and providing additional necessary skills outside of full qualifications to new students or transitioning workers. Commonwealth reforms could enable credible RTOs to develop high-quality training through micro-credentials and sub-qualification products in an agile and responsive manner. TAFEs are part of the micro-credentials marketplace and look forward to the opportunities that the platform offers.

3. Job security, fair pay and conditions, including the role of workplace relations.

In terms of the TAFE workforce, TDA encourages collaborative discussions between providers, industry, and unions to address the shared problem of a capable and adequate TAFE workforce. More control must be given to TAFE CEOs to be able to attract industry practitioners to their workforce. This will mean a TAFE workplace will be a blend of industry specialists collaborating with professional educators. Recruitment of teachers is a whole of economy problem if it is limiting development of skilled people, and it must be collaboratively solved. Additionally, the role of a TAFE educator is complex; they must be industry current, they must be good educators, they must deliver foundation skills, they must be able to use technology to deliver training online and they must work within complex organisations (often having previously been in small business). Thus, retention of the TAFE workforce in a full employment market is also an increasing problem, especially when salaries in industries are booming.

Some of the issues specific to the TAFE trainer workforce include an aging workforce, and the (lack of) competitiveness of TAFE employment conditions in comparison with other sectors and providers.

4. Pay equity, including the gender pay gap, equal opportunities for women and the benefits of a more inclusive workforce.

TAFEs can play a role in broadening the diversity of traditionally segregated fields. However, for real progress to be made, the wage discrepancies between the feminised sectors such as childcare and aged care and male dominated fields such as the trades must be addressed.

The National Centre for Vocational Education Research ([NCVER](#)) [Total VET Students and Courses 2021](#) dataset shows that in 2021, 48.5 per cent of all students at TAFE were female while 50.9 per cent were male. 51 per cent of students at TAFE were aged between 15 and 24

years, while 49 per cent were aged 25 years and over reflecting TAFE's importance to Australians at all stages of their careers. The 2021 data shows that women in particular use TAFE later in their career/life to get a qualification or re-train. This data provides an opportunity to support women to gain the skills they need at later stages in their lives. Free-fee TAFE will be valuable to achieve this outcome.

It is also important to note here the significant role TAFE plays in supporting women's economic participation, particularly in upskilling and reskilling. As an example of this, TAFE NSW has successfully delivered the [Women in Business](#) program, (a fully subsidised online program for women who are looking to establish or grow a business) and is well-placed to provide further support for female training outcomes.

There is significant further scope for TAFE's to develop programs and initiatives that support female training access and completion in key economic sectors, particularly those underrepresented by women as well as designing training models that address barriers to study for women.

5. Labour force participation, labour supply and improving employment opportunities.

5.1. Reducing barriers and disincentives to work, including the role of childcare, social security settings and employment services.

Inadequate literacy, numeracy and digital skills can all be a barrier for entering the workforce. TAFE's are the dominant providers of foundational, preparatory and pathway qualifications such as spoken and written English, tertiary preparation and skills for education and training pathways. TAFE's partner with community adult educators and play an important role in preparing those less advantaged in the labour market with skills and qualifications which leads them to a job outcome.

Further reforms are needed that will lead to strengthened support and access to foundation skills for prospective and current students. This includes:

- The role Governments play in ensuring that basic levels of foundation skills are provided through education and training regardless of location
- Adequate funding to ensure that minimum standards for foundation skills can be met
- Given the significant variation in demographic and economic conditions across Australia, ensuing policy decisions on how foundation skills are delivered and supported sit at the state level.

The cost of education and training can be a disincentive to entering the workforce. This cost is exaggerated in a full employment market. Therefore, incentives to continue to learn are required.

5.2. Improving labour market outcomes for those who face challenges in employment, including First Nations people, those who live in rural and remote areas, younger and older Australians, people with disability, and those who may experience discrimination.

In a full employment market support for those with high needs for wrap around services, such as youth and mental health workers, is required. Programs that support diversity for industries, such as women in trades programs, should also be considered. The Albanese Government has made it clear that TAFEs are at the heart of the vocational education and training system. TAFEs are the bedrock of our local communities, and the TAFE brand is an assurance of quality. However, delivering to the expectations of those communities and employers is difficult without adequate financial resources, especially in a full employment market.

TDA members operate in over [550 locations in Australia](#), including regional, rural, and remote locations and deliver to hundreds of thousands of students. The skills and training needs in one part of Australia may not be reflected in another region of Australia. TAFE is well positioned to provide this local place based learning and advice, consistent with the priorities of their State and Territory Governments, and not driven by for-profit business imperatives.

The varying prices for the delivery of training by different states and territories is based on different cohorts of learners, their learning needs to progress through training, and geographic distribution. Pricing reform should better enable TAFEs to be more responsive to employer and student cohorts while retaining the benefits of a national training system.

5.3. Skills, education and training, upskilling and reskilling, including in transitioning sectors and regions.

This section is a key area where TAFEs can provide meaningful contribution to the White Paper and we would welcome further engagement on this.

TDA members are complex businesses and the main providers of training for critical Australian industries. This includes electrotechnology – electrician, plumbing, engineering fabrication and mechanical trade and enrolled nursing. TDA members are heavily invested in supplying skills development in emerging industries such as clean energy and cyber security (as previously described). An individual TAFE's breadth and scope of delivery is reflected in TAFE-industry-employer-community engagement in our cities and suburbs, and in regional and remote Australia.

The TAFE delivery model appropriately blends workplace delivery, online learning, and place-based learning on campuses. TAFEs, regardless of their organisational construct, are local. They work with local employers, and they develop local intelligence about what employers need. They look for solutions for the employer who has a future skill need now. That local intelligence and responsiveness must be enabled, especially in transitioning sectors and regions.

TDA notes the increased demand for constant skills acquisition for those already in the labour market, including to attain functional digital fluency. Micro-credentials and stackable skill sets for bite size learning are very important. However, a balance between agility and

quality is required to ensure innovation is not stifled by over-regulation. Funding allocation for micro-credentials in universities and TAFEs needs to be consistent and equally available.

TDA also advocates the prioritisation of funding for individuals to gain a full and portable qualification for entry to the labour market or for a career change. This focus should not be diluted by the calls by industry for more short course funding (i.e. micro-credentials). A full qualification can be life changing for an individual and gives them the competence and confidence to commence and progress in their chosen field. Training packages of the future also need to allow for better movement across and between industries.

5.4. Migration settings as a complement to the domestic workforce.

There is a role for unskilled migrants and international students in the Australian workforce. However, the Government will need to determine the right policy and funding settings that will enable TAFE to support training for unskilled migrants in key industries such as aged care and for VET international student graduates to have work rights. TAFEs have been successful in training migrant workers for key skill shortage industries and this needs to be optimised, including meeting the needs of the care industry.

6. The role of collaborative partnerships between governments, industry, unions, civil society groups and communities, including place-based approaches.

TDA seeks a genuine commitment from industry to TAFEs being able to collaborate and co-design training solutions from the outset. Employers demand immediate solutions. TAFEs have long histories of partnering with employers to achieve these outcomes. These solutions must have a component of local responsiveness, not solutions that are only aggregated to the national situation. Employment and training undertaken together will support learner progression and completion.

TDA welcomes the tripartite approach that will ensure government, employers and unions work closely together on workforce issues. TDA also calls for TAFE to be at this table as the knowledge of educators is fundamental to future success.

A good example of collaborative partnerships is the emerging Institutes of Applied Technology model being developed by TAFE NSW which will support innovative collaborations for addressing skills shortages more effectively. They will also demonstrate the combined role of skills acquired in vocational education and training and knowledge and research in higher education.

Another example exists in Victoria, where a long-standing partnership between RMIT and Dental Health Services Victoria (DHSV) is building a workforce of dental assistants and technicians, while serving the oral health needs of vulnerable clients. The Royal Dental Hospital began operations in Melbourne's Carlton in the early 2000s. RMIT and the University of Melbourne helped design technical spaces and have occupied dedicated areas within the building ever since.

In Western Australia, South Metropolitan TAFE received a national defence award for its Defence Industries Pathway Program. This is a good example of bespoke training developed through direct TAFE-industry collaboration to meet a specific need (i.e. outside of the national training system).

7. Other relevant topics and approaches.

Better linkages between VET and higher education: To compete in a global market, and in a market where access to a skilled workforce is in short supply, enterprises require a changed approach. As more jobs require higher level knowledge and skills then it must be possible to combine higher education and vocational education more easily. TDA welcomes being part of the reference committee for the Accord, which is one avenue for these discussions. TDA will advocate for new dual credentials that are built with students at the heart.

Further consideration is required of VET vs Higher Education pathways, the mismatch between skill and job requirements and the huge forecast increase in jobs that will require VET qualifications. There is also a strong need to encourage schools to promote VET, particularly where current ranking systems do not support this. Support for Higher Education and VET collaborations to improve training to employment pathways for students would be useful.

Self-accreditation for TAFE: It is important that decision makers are aware of the complex eco-system within which TAFEs operate. In the current national training system, TAFEs have limited autonomy. TAFEs for the last decade have been at the receiving end of the supply chain rather than at the table for the creation of appropriate training solutions for industry needs. To receive funding, TAFEs must use the national training packages that have been developed by industry sub-committees. These training packages do not develop skilled people for broad occupations. TDA supports the work being done on qualification reform but is concerned that these reforms may not go far enough in terms of enabling innovation.

Self-accreditation for TAFEs (similar to universities which create their own curriculum) would go a long way in providing better responsiveness and relevance of vocational education and training to Australian industry. TAFEs as public institutions could work with industry and unions directly to create contemporary course content and design and produce job ready graduates at scale. A strong and autonomous TAFE sector can help meet Australia's short-term skills shortages, boost productivity of the workforce and better prepare Australians for the jobs of the future.