

Inquiry into Sustainable Employment for Disadvantaged Jobseekers



Victorian TAFE Association Response

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1. Introduction

The Victorian TAFE Association is the peak body for Victoria's public providers of Vocational Education and Training (VET), including 12 TAFE institutes, four Victorian dual sector universities, and an Associate member, AMES Australia.

The Victorian TAFE Association welcomes this opportunity to provide input to the Economic and Infrastructure Committee's Inquiry into Sustainable Employment for Disadvantaged Jobseekers. Our comment is around the following areas:

- Diverse cohorts and barriers
- Coordination and leverage
- TAFE and the public mission
- The Victorian TAFE Model
- The breadth of the TAFE network
- Industry and TAFE

2. Diverse cohorts and barriers

In 2015, the Victorian Government released its *Strategic framework to strengthen social cohesion and the resilience of its communities* (the Framework). A key underpinning of the Framework is the recognition that Victorian society is a rich and diverse array of communities, and the need to ensure that the cohesion that Victorians enjoy and which contributes to our prosperity and wellbeing is sustained into the future.

In many ways, this underpinning applies to the matter to be considered in this Inquiry, for while there is a facility provided by the use of collective terms such as 'disadvantaged jobseekers', there is a risk that its use hides what is, in effect, a highly heterogeneous group, made up of many discrete and diverse cohorts whose disadvantage stems from very different sources.

One way to proceed is to draw this diversity in terms of a root cause. This approach looks at the problem 'thematically', and would allow a more detailed understanding of the benefits of employment and the formation of policies that address the underlying cause of the disadvantage. Examples include:

- Disadvantage due to socio-economic status
- Disadvantage due to regional/locational factors
- Challenges associated with a lack of home or fixed address
- Age discrimination
- Cultural and racial discrimination
- Disadvantage faced by ex-offenders
- Gender discrimination
- Disadvantage faced by persons with a physical, psychological or intellectual disability
- Disadvantage rooted in a person's sexuality
- Challenges resulting from lack of access to infrastructure (such as lack of reliable internet access or the costs associated with said access)
- Difficulty accessing employment and education due to insufficient or non-existent transport options (for example, public transport may be sporadic in some metropolitan areas and non-existent in regional areas)
- Difficulties and challenges associated with learning (for example, a person may have difficulty learning due to dyslexia).

- Disadvantage due to regulatory barriers (such as the inability to receive recognition for overseas qualifications)

In many cases, a person may belong to more than one cohort and face many root causes of disadvantage. Further, these disadvantages can be ongoing, systemic barriers or may be of a less ingrained manner and more easily addressed. In some instances, the source of the disadvantage may be short in duration but intense.

Like cohorts, addressing barriers will also be dependent on the barrier at hand. But also, the response to addressing the barrier can be dependent on the cohort facing the barrier. Some of the barriers faced by disadvantage jobseekers include:

- Language, Literacy and Numeracy (LLN): LLN can refer to insufficient levels of LLN proficiency, but it can also refer to barriers resulting from various LLN tests that create regulatory hurdles to progression. Some students may demonstrate different types of literacy and may struggle to demonstrate the forms of literacy tested in LLN tests (for example, the deaf and hard of hearing may be proficient in Auslan but not in other forms of communication). LLN tests are often a requirement for training and education, and for some disadvantaged cohorts they may erect a barrier to training and employment and hence opportunities for employment. Problems with the LLN may be amplified for those who have poor digital literacy where tests are delivered online.
- Social, employability and life skills: some disadvantaged jobseekers lack the skills necessary to confidently function and navigate life. Many programs exist to provide support in the form of resume development or other technical and employment skills, but often, these cohorts require more holistic support at a more 'foundational' life skills level.
- Digital barriers: this refers to barriers arising from poor digital literacy, but also through lack of access to digital resources. This lack of access may be three-fold, including having limited or no knowledge of the digital world (digital illiteracy); the physical inability to access digital infrastructure (such as connecting or having access to internet services); or barriers to digital services arising from insufficient funds.
- Physical and mental health: these barriers can be the result of poor access to health resources, facilities and expertise, or discrimination faced by those suffering from mental health or chronic illnesses. This can be increased by locational factors, where it is not uncommon for some rural towns to have sporadic access to referral services, with many of these occurring on a once a month basis only.
- Infrastructure: infrastructure barriers can be the result of poor access to essential infrastructure, such as public transport or digital services. This is particularly evident in outer metropolitan and regional areas.
- Cultural barriers: such as direct and active form of racism or from more passive discrimination resulting from poor understanding of cultural practices and requirements.
- Family history: some disadvantaged jobseekers are seemingly 'caught' in a cycle of unemployment that spans generations. In other cases, a person may be affected by a lack of family role models to demonstrate the opportunities provided by education and training.
- Social: an example of a social barrier is the persistence of certain trades as male dominated industries, providing barriers to opportunities for female workers. A further example is discrimination faced by older workers.

- Justice system: ex-offenders may struggle to find an employer willing to provide them with a second chance.
- Procedural barriers: this refers to barriers resulting from the systems or processes associated with policies. For example, some disadvantaged jobseekers may have difficulty with the completion of enrolment procedures. In other cases, the barrier is erected by the order of a process.¹ Some jobseekers are disadvantaged due to eligibility requirements that render them unable to access services or supports, or at the very least, do not permit access in a manner that is easy or advantageous.²
- Low economies of scale: in this case, the disadvantage results from the lack or low level of scale and hence job opportunities for those residing in regional and remote areas.
- Financial barriers: many disadvantaged jobseekers have difficulty obtaining finances for potential entrepreneurial activities. Disadvantaged jobseekers may also have insufficient funds to access employment (for example, to pay for transport).
- Inter-Government: some barriers result from coordination failure between and within levels of government. Further discussion of this point is in section 3.

The response to each of these barriers will be different. But so too, the response will depend on the disadvantaged cohort in question. The Victorian TAFE Association recommends that the Inquiry make recommendations that are cognisant of differences between cohorts and to the multitude of barriers they face, and to the need to contextualise policy responses to diverse circumstances and needs.

Victoria's TAFE network is highly cognisant of disadvantaged cohorts. TAFE plays a major role in providing opportunities for those who come from disadvantaged backgrounds, with a student cohort that includes large numbers from disadvantaged backgrounds. Research by KPMG showed that in Victoria alone, the TAFE network delivered training to three times as many students from low socio-economic backgrounds as higher education providers, and about four times as many Indigenous students.³ Further, TAFE plays a crucial role in the delivery of English language and vocational training to Culturally and Linguistically Diverse (CALD) communities, helping to address barriers to employment faced by this cohort. Without the conduit provided by TAFEs and AMES, many from disadvantaged cohorts would likely be excluded from tertiary education and training and from engagement with society.

¹ For example, some students from disadvantaged backgrounds may not have access to appropriate identification, making enrolment difficult. A further example is related to the placement/order of LLN testing requirements in the training enrolment process. Some institutes have suggested that this could create a barrier which could be overcome were there flexibility to place it later in the enrolment process. This is because its latter placement would enable a prospective student to build up confidence and to obtain skills that would enable him/her to more properly tackle and therefore successfully complete the LLN test.

² For example, the Skills First Reconnect program has a requirement that a person not have completed a Year 12 or equivalent qualification. However, this requirement creates a barrier in cases where a person holds a year 12 qualification that was undertaken long ago and may be functionally obsolete. Further, it closes access to this program to participants who may have pursued higher level courses (such as a Certificate II) not out of personal choice or desire but to fulfil eligibility requirements for other programs (such as jobactive). Another example can be seen in persons residing in a border community who may be required to access state-based services (such as education and training opportunities) that are inconvenient and far from home when a closer alternative may be available across the border.

³ KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed 29 July 2019

The Victorian TAFE Association recommends therefore that the TAFE Network be fully engaged in the development and implementation of policies and initiatives to address and ensure that disadvantage jobseekers find and maintain employment.

3. Coordination and leverage

Disadvantaged jobseekers have access to a number of support programs and initiatives operating at the Commonwealth and Victorian levels, designed to provide opportunities and skills for employment. These include:

- New Enterprise Incentive Scheme: a Commonwealth program that provides accredited small business training, mentoring and support to help those who are not in employment to start their own business.
- jobactive: also a Commonwealth program, it connects employers with job seekers through a network of jobactive providers.
- Work for the Dole: a work experience program of the Commonwealth that places job seekers in activities to build skills, experience and confidence.
- Jobs Victoria Employment Network: a Victorian Government initiative where services are delivered by employment specialists who work closely with employers to identify job opportunities and prepare jobseekers for those roles.
- Skills and Jobs Centres (SaJCs): a Victorian Government initiative that provides a 'first port-of-call' for employers to meet their workforce needs and for job-seekers who wish to enter the workforce, start training or re-skill. Job-seekers have access to expert advice on training and employment opportunities and industry is consulted in the fulfilment its workforce needs.
- Partnerships Addressing Disadvantage: a Victorian Government initiative to reduce disadvantage and produce better outcomes for vulnerable Victorians. In doing so, it addresses issues that affect engagement by vulnerable cohorts, and with this, employment opportunities.
- Career advice: in 2018, the Victorian Government provided funding for career advice services to be provided in Victorian schools.
- Disability Employment Service: a Commonwealth program to help people with a disability find employment.
- Reconnect program: a Victorian Government initiative to support high-needs learners aged 17 to 19 who have not completed year 12 or equivalent and are not in education, training or full-time employment or individuals aged 20 to 64 who have not completed year 12 or equivalent and who are long-term unemployed.
- Youth Jobs PaTH: a Commonwealth Government initiative to assist young people gain skills and work experience through a series of programs, including activities to prepare young people by improving their employability skills; a series of PaTH internships; and a bonus wage subsidy scheme.

The variety of initiatives can sometimes result in tensions between policies that operate or whose origins are at the Commonwealth level, with those emanating from the Victorian Government.⁴ In other instances, it is not a tension but a lack of coordination between

⁴ An example of such tension is visible in difficulties reported by some Victorian TAFE Association members in maximising delivery through co-location of services provided by different levels of government due to inconsistencies and differences in funding rules governing Commonwealth and Victorian programs that prohibit co-location.

disparate policies, meaning that the potential gains are not fully maximised. Further, there may be duplication in purpose and activity. There is also scope to consider not only 'tensions' and duplication between Commonwealth and Victorian programs but for an analysis of Victorian programs alone, to determine and ensure that they have been designed in a manner that optimises their collective impact.

There are also opportunities to improve the outcomes of existing policies and initiatives by expanding their scope and amending eligibility criteria. For example, funding that has been provided for expert career advice services to younger Victorians could be expanded, so that similar programs can be provided to disadvantaged jobseekers, which could occur through existing platforms such as the SaJCs. Scope could also be expanded by amending funding arrangements that apply to Skills First, which make it difficult to access funding for qualifications at levels 'lower' than those already attained.⁵

The Victorian TAFE Association therefore recommends that this Inquiry pay consideration to tension between policies and initiatives that operate at the various levels of government. Recently, the Australian Skills Quality Authority has moved towards a student-centred approach in matters of regulation in the vocational education and training sector. In a similar vein, policies and initiatives to support disadvantage should make the needs of disadvantaged jobseekers central to their design and operation, including through direct consultation with disadvantaged jobseekers.

Disadvantaged jobseekers could also benefit through greater collaboration of activities between the components that make up the education sector, in particular, between TAFE and Learn Locals, which have a key role in capturing and providing education and training to cohorts that would otherwise be disenfranchised from tertiary education, including disadvantaged jobseekers. Greater collaboration between the two would utilise TAFE infrastructure and resources to oversee collaborative activities and provide education and training pathways, while Learn Locals would provide the means to engage with and support learners with pre-accredited training.

This reality was in part the inspiration behind a 2017 report by the Centre for International Research on Education Systems (CIRES) that looked at levels of collaboration between the TAFE and Learn Locals. The report, commissioned by the Victorian TAFE Association and the Adult Community and Further Education Board, explored mechanisms to encourage effective collaboration between TAFE and Learn Locals in the provision of adult, community, technical and further education and support services.

The result was a 'roadmap' that laid out a plan to encourage greater levels of collaboration between the two groups. This roadmap envisages collaboration operating on two levels: at a system level to drive and enable greater provider collaboration; and at a provider level to give practical effect to system level measures. This piece has fed into the Future

⁵ For example, a person who holds a master's level degree and wishes to undertake training at a certificate level would be unable to access subsidised training, even if the certificate is key to securing employment. This barrier also applies to those undertaking qualifications within VET (such as a person who holds a Diploma obtained in a VET institute who then needs to undertake a vocational course at Certificate IV). This is particularly relevant for older workers, who may find their existing qualification no longer suitable for employment, but face barriers that render them unable to pursue the education and training to improve their employment prospects (see Footnote 2). An amendment in funding rules would address this, and enable this (and indeed, other) disadvantaged cohorts to move into sustainable employment.

Opportunities for Adult Learners (FOAL) work currently led by the Adult, Community and Further Education (ACFE) Board.

The Victorian TAFE Association considers that these facts make the Victorian TAFE network and Learn Local Organisations pivotal components in any strategy or initiative to support disadvantaged jobseekers. We recommend that the Inquiry support initiatives/proposals to encourage greater levels of collaboration between the two sectors through the implementation of the recommendations arising from the CIRES report and current FOAL work.

4. TAFE and the public mission

In 2018, the Victorian TAFE Association commissioned KPMG to undertake an analysis of the contribution made by Victoria's TAFE institutes to Victorian prosperity. The highly lauded outcome, *The Importance of TAFE to Victoria's Prosperity: Final Report*, outlined the innumerable ways in which Victoria's 12 standalone TAFEs and the TAFE divisions of its four dual sector universities contribute to Victorian wellbeing.

The report demonstrated that TAFE made an economic contribution of almost \$3 billion to Victoria's Gross State Product, with every \$1 spent by Victorian TAFEs generating \$2.19 of value-add to the Victorian economy. But more than that, the report showed that the contribution made by TAFE is more than a matter of economics and finance and includes a large 'social footprint' that champions and delivers "equity and access to education and training for all Victorians".⁶

There are a number of ways in which this mission operates, such as:

- Multiple campus locations: Victoria's TAFE institutes and dual sector universities operate more than 100 campuses spanning the state. Their existence is based not on economic grounds solely, but also on community need, providing access to education and training facilities to communities that would otherwise go without. Proximity to an educational institution is often a leading factor in decisions regarding further study, so the presence of TAFE campuses within regional areas contributes to participation in tertiary education and training for regional students who may otherwise be disenfranchised. Indeed, the KPMG report showed that regional TAFE institutes train proportionally more regional students than private providers or universities. In addition, the facilities and resources at TAFE campuses are used for more than educational purposes alone, being available for community and industry use for multiple purposes, including in times of crisis (such as during a natural disaster).
- Thin markets: this refers to a situation where there are "few learners (that is, there is low demand for VET) and/or VET providers (that is, there is limited supply of training)".⁷ A thin market can apply to "occupational areas, industry areas and geographic regions (particularly in rural and remote locations)". While these areas can (and sometimes are) catered to by private providers, such providers can (and sometimes do) decide to leave a thin training market if they deem it economically preferable to do so (that is, if they do not make a profit). But for TAFE institutes, the decision rule is not forged in matters of finance alone, but is more nuanced, taking

⁶ KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed 1 August 2019: 8.

⁷ NCVET (2008), *Vocational education and training providers in competitive training markets*: 30

account of the many social and environmental factors that contribute to community and social wellbeing and resilience, including to disadvantaged jobseekers.

- Community development: Victorian TAFE institutes play a leading role in leading and coordinating efforts to rebuild communities that have experienced economic dislocation and transformation. A good example is the Skilling the Bay initiative led by The Gordon Institute and delivered in partnership with Deakin University and the Victorian State Government. This initiative provides the people of Geelong with opportunities to address issues resulting in the closure of important industries like motor vehicle manufacturing and to engage with emerging sectors.⁸
- Partner to government: TAFE institutes partner with government to deliver and implement policy, or to ensure the delivery of public value projects that require the utmost integrity and skill.
- Diverse cohorts: TAFE plays a major role in providing opportunities for those who come from disadvantaged backgrounds, with a student cohort that includes large numbers from non-traditional backgrounds. Research by KPMG showed that in Victoria alone, the TAFE network delivered training to three times as many students from low socio-economic backgrounds as higher education providers, and about four times as many Indigenous students.⁹ Further, TAFE plays a crucial role in the delivery of English language and vocational training to Culturally and Linguistically Diverse (CALD) communities, helping to address barriers to employment faced by this cohort. Without the conduit provided by TAFEs, many from disadvantaged cohorts would likely be excluded from tertiary education and training and from engagement with society.
- Working across all levels of government: Victoria's TAFEs work and deliver programs across all levels of government. For example, many of Victoria's TAFE institutes and dual sector universities are engaged with the delivery of Commonwealth employment services through their role as providers of training associated with the New Enterprise Incentive Scheme. They are also key providers of Victorian Government initiatives such as the Skills and Jobs Centres. Victoria's TAFE network can therefore provide a key conduit between levels of government, and provide a more coordinated view and response to address issues of disadvantage.

The Victorian TAFE Association considers that TAFE's special public and social service role can be deployed and should be central to the development of policies and initiatives to support disadvantaged jobseekers. This would include recognition of TAFE's role through policy and funding streams for TAFE to support for disadvantaged jobseekers. We recommend that funding to meet Community Service Obligations be increased and provided on a longer-term basis of at least three years, in order to enable TAFE institutes to strategically plan initiatives to support at-risk cohorts. We also recommend a similar treatment of funding for Skills First Reconnect provided to TAFE and the Regional Specialist Training Fund (which would assist disadvantaged Victorians to gain employment by offering training in thin markets and in rural areas).

⁸ <https://www.thegordon.edu.au/stb/about>, accessed 18 January 2019.

⁹ KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed 1 August 2019.

5. The Victorian TAFE model

In 2017, the LH Martin Institute undertook an analysis of the highly devolved structure of the Victorian TAFE network and compared it to more centralised approaches in other states.¹⁰ While some states (for example, NSW) have moved towards a highly centralised structure whereby formerly independent TAFE institutes are merged and centrally managed, Victoria has preferred to continue with an approach that maintains a series of independent TAFE institutes, each with their own CEO and Board of Directors.

The LH Martin research highlighted a number of features that were shown to convey an advantage to Victoria as a result of its decentralised approach:

- Victoria's TAFE system, which is more localised to regions within country and metropolitan Victoria, enables greater alignment with other bodies and institutions (such as those in local government), facilitating collaboration on social and economic development.
- The CEOs of Victoria's TAFE institutes are more connected to local communities, making them more able to respond to local realities and opportunities; and to make decisions and provide an easily identifiable figurehead for external stakeholders.
- The devolved nature of Victoria's system results in a greater number of CEOs, Board Chairs and Board Directors than their centralised counterparts. This creates a number of benefits, including access to increased networks, a larger variety of experience and skill, and a greater pool of people to offer innovative and strategic thinking.
- The Victorian approach facilitates high profile industry specialisation and the formation of long-standing relationships with industry sectors and communities.
- Victoria's system does not stipulate a requirement to have equal-sized TAFEs across the state. As a result, regional areas are better served by having local TAFEs, which are large enterprises for their regions, with the local authority of a CEO.
- Related to the point above, the system has great diversity in terms of scale and size, educational scope and mission that ensures greater alignment between the education and training needs of regions and a TAFE institute's training profile. Victorian TAFE institutes have, where possible or required, worked collaboratively in the delivery of projects or activities, drawing on the diversity and strength of each of the Network's parts.

For Victoria's disadvantaged jobseekers, the Victorian TAFE model provides a more direct link for the development of initiatives at the local level that are locally relevant and that directly benefit local communities. The Victorian TAFE Association therefore considers that the Inquiry should give consideration to the benefits of the Victorian TAFE model and to recommend that this localised model continue to apply to Victorian TAFE.

6. The breadth of the VET sector

It is not uncommon to hear views that treat the VET and TAFE sector as the 'apprenticeship' sector. While apprenticeships are an important training area for the sector and one of which it is proud, this focus often serves to minimise the breadth of Australia's VET sector. This breadth, or diversity, operates on a number of levels, from a diverse educational and training

¹⁰ Goedegebuure, Leo and Schubert, Ruth (January 2017), *Strengths and Benefits of the Victorian TAFE Model*, LH Martin Institute.

profile; multiple locations that ensure provision over large geographical and diverse areas; a highly mixed student cohort; to the large range of industry sectors that are serviced.

Victoria's TAFE institutes are also considerable providers of secondary education. The Victorian TAFE Association has commissioned research that shows that Victoria's TAFE institutes provided secondary education to almost 6,000 students, with increasing numbers of early school leavers completing their senior school certificates in TAFEs and dual sector universities year on year.¹¹ Such students have challenging learning backgrounds and tend to gravitate towards communities and professions that accept them (like those in TAFE). The senior secondary settings in Victoria's TAFEs and dual sector universities consistently attract young people who have struggled in school, have experienced disrupted learning for a variety of reasons and are from low socio-economic status families.

The point of this discussion is to ensure a complete awareness of the VET sector, its breadth and to the role that it can play in supporting disadvantaged jobseekers. While the VET sector can and will continue to play a pronounced role in the provision on training for apprentices and trainees, it can and does do so much more. The Victorian TAFE Association recommends that the Inquiry pay attention to the many and varied contributions and activities of the sector, and especially those of TAFE, and to the possibilities to grow these into the future.

7. Industry and TAFE

The sustainable employment of disadvantaged jobseekers is a two-sided issue. On the one hand, there are workforce supply issues, which can be addressed through policies that provide these cohorts with appropriate training, education, welfare and other supports.

But an appropriate response will also recognise the important role of industry: it is industry that will provide the demand for disadvantaged jobseekers, and so it is imperative that industry been fully engaged in the process. The form of engagement will include (but by no means be limited to) providing:

- placements for disadvantaged jobseekers to obtain much needed experience
- a pipeline to employment
- intelligence related to skills demand emerging industries and industry need

A hallmark of TAFE and the wider VET sector is its link to industry. The TAFE network is renowned for its industry led training and applied research in 'real world' industry and community settings, built on the back of robust and long-term relationships with employers and industry.

The Victorian TAFE Association considers that the TAFE network's relationships with industry and community represent a valuable resource that could be better utilised to ensure and secure industry's voice and better engagement from potential employment services users. We therefore recommend that this be explicitly recognised by this Inquiry and that its policies and recommendations include a role for TAFE in policies to address the issues faced by disadvantaged jobseekers.

¹¹ Jonas, Pam, Schultz, Nita and van Son, Jo (2017), *Disadvantaged young people: senior secondary completion in Victorian TAFEs and dual sector universities*, Victorian TAFE Association.

8. Key contact

The VTA welcomes the opportunity to speak further to the issues outlined above. To do so, please contact:

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