



# **BREAKING OR MAINTAINING SILOS IN VOCATIONAL EDUCATION?**

**A commentary on two  
Reform Reports:  
VET Pathways  
and  
Skills for a growing economy**

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## Abstract

The need for structural reform in VET upper secondary education and the wider VET sector in Victoria is reinforced by two recent Victorian government reports.

The first of these is the *Review into Vocational and Applied Learning Pathways in Senior Secondary Schooling* by John Firth.<sup>1</sup>

The second is the *Skills for Victoria's Growing Economy Review* by Jenny Macklin.<sup>2</sup>

Both reports are expansive. Both advocate for the development of core skills and relevant standards (core skills in literacy, numeracy and Macklin includes digital skills).

The outcomes for the flagship VET upper secondary education program; the Victorian Certificate of Applied Learning (VCAL), have been published by Firth for the first time in nineteen years. These outcomes make for depressing reading and highlight the need for reform.

Firth suggests that the optimal reform would be to integrate VCAL into the existing upper secondary certificate (VCE). This leads Firth to identify a number of issues that are in need of resolution. Firth calls for greater involvement and leadership from TAFE institutions.

Macklin identifies major skill shortages in the Victorian economy, especially at the middle level and raises a number of issues various stakeholders had identified as barriers to a strong and effective VET system in the State. Macklin's cornerstone recommendation relates to the creation of a board to drive innovation and change called *FutureSkills Victoria*.

The analysis undertaken by this Institute suggests that the Macklin report needed to be bolder and not be intimidated by the dysfunctional relationships that exist between States and the Commonwealth in regard to creating a more capable tertiary sector in Australia. Macklin postulates that an integrated tertiary sector is not achievable because of the relationships between the States and the Commonwealth.

Both reports consider OECD views and describe arrangements that highly successful countries have or are adopting.

It is highly unlikely that the arrangements suggested by Firth and Macklin will create an internationally competitive VET system and will certainly not create an integrated tertiary sector.

Alternative suggestions are offered.

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<sup>1</sup> Firth, J. Vocational and applied learning pathways. Victorian government (November 2020)

<sup>2</sup> Macklin, J. Skills for a growing economy. Victorian government (October 2020)

The two reports are important contributors to assisting with Victoria's economy and there is a lot to like in each of them. Each report suggests that the existing arrangements are not fit for the purpose. There is evidence of extensive consultation. Each offers strong support for disadvantaged students, development of collaborative approaches, raising the esteem and status of vocational education, improving teaching, broadening curriculum, strengthening core skills, although Firth is soft on digital skills, and establishing a transparent basis to underpin government subsidies. However, neither proposes structural arrangements that are likely to create substantial and meaningful change.

What is most disturbing about both is that they appear to have been developed without regard to one another, yet both claim to be benefiting all Victorians - especially the young.

### **Review into Vocational and Applied Learning Pathways in Senior Secondary Schooling (John Firth)**

Firth's report indicated that significant change was required to achieve the ambition of effective vocational applied learning pathways in senior secondary education. This, it is claimed, would best be achieved by creating a single integrated senior secondary certificate (VCE).

The report found that there were 24,000 students enrolled in Victorian Certificate of Applied Learning (VCAL), 50,000 in VET delivered to school students and 3,500 student school-based apprenticeship and traineeship courses. It suggests that these programs were of an inconsistent quality, were unrelated to labour market needs, suffered significantly from under-resourcing and created a poor perception of applied learning and inhibited uptake.

Although the report recommended that vocational specialisation be integrated into a single year 12 certificate (currently VCE) its remit was not to consult on recommendations relating to the VCE.<sup>3</sup> This limitation meant that issues such as whether a vocational specialisation would be included in the calculation of the ATAR and whether vocational literacy and numeracy units would contribute to the calculation remain unresolved.

The report publishes outcomes for VCAL students in 2019. They are disappointing in that one in three graduates are destined to go into unemployment or part-time precarious employment. More disappointing is that non-completers seem to have a better chance of gaining an apprenticeship than completers (so much for year 12 completion). In addition, not one graduate entered into university and only 20 per cent of graduates entered VET.<sup>4</sup>

If, as the report suggests, the fundamental purpose of senior secondary education is to facilitate entry into post-school education and training or employment as well as success in personal and civic life, these outcomes do not support education's fundamental purpose.

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<sup>3</sup> Firth J op. cit. p 90

<sup>4</sup> *ibid.*, p 256

Throughout the report a range of negative comments are made. Students described VCAL as easier for dummies, the kids that do it are dumb and school principals described VCAL as being used to provide for students who are perceived to be discipline problems.

The Victorian Chamber of Commerce comment that core skills in English and Maths need to be strengthened to support pathways into jobs. Their comments are echoed by teachers who also comment that assessment is highly problematic, as is reporting.

### **The likely outcomes of the recommendations contained in the Review**

Curiously, although Firth's report is confined to schools and, in particular year 11 and 12 vocational alternatives, it does contain recommendations and advice that, if accepted and implemented by the government, could lead to a significant improvement in high quality options being available to students. It would strengthen the case for an integrated tertiary sector and could enable upper secondary and tertiary arrangements to become more closely aligned to international best practice.

Firth recommends that TAFE institutions should have an explicit role in supporting universal access to vocational and applied learning pathways for secondary school students. This includes the provision of a range of core options aligned to Victoria's growth areas.<sup>5</sup> This recommendation arises because, as the report demonstrates, schools lack the facilities, expertise and commitment to provide quality vocational education, so the role of TAFE becomes more significant as Firth expresses the view that Year 12 equivalence should be defined as completion of Certificate III or above.

Firth's comments are encouraging however he fails to develop how he sees the involvement of TAFE institutions occurring because his suggestions require structural change to the bureaucracies.

He argues that the outcomes from a Certificate III are more likely to lead to achieving the purpose (as expressed in the report) of senior secondary education which is to "...prepare students for post-school education and ultimately employment. "

The OECD reports that students who complete a Certificate III in Australia have positive employment outcomes.<sup>6</sup> This is not the case for Certificate I and II completers which not only have poor outcomes but very low completion rates.

The difficulty with Firth's suggestion is that existing Certificate III arrangements will be hard to integrate into the VCE. Certificate III courses vary dramatically in terms of:

- length and complexity. Some go for twelve weeks of schooling others for twenty-four weeks and others somewhere in between;
- work experience is sometimes required;
- some work experience is assessed;

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<sup>5</sup> *ibid.*, p 116

<sup>6</sup> See Mackenzie Research Institute submission (MRI). Skills for a growing economy. Part one p. 15

- there is no established literacy, numeracy nor digital skills standards;
- assessment is highly variable between courses and providers; and
- the timetabling that currently exists in schools would need to change significantly to accommodate a Certificate III course.

Internationally advanced countries with strong tertiary systems have taken the position that integrating VET into a general academic education will lead to further downgrading of applied learning. The strategy has been to establish a vocational track in upper secondary education. Germany, Austria, Denmark, Switzerland and recently the UK have established a very clear distinction between academic and vocational tertiary tracks.<sup>7</sup> These tracks can lead to applied further education and or employment. The UK's T levels are a very promising initiative which would have applicability in Victoria.

If a vocational track were established in Victoria, then the recommendation by Firth of TAFE's engagement could include functions such as:

- developing upper secondary vocational programs that incorporated Certificate III competencies and assessment tasks;
- linking the schools program with industry;
- developing assessable work placement;
- developing core units in literacy, numeracy and digital skills to an agreed standard;
- coordinating the widespread provision of the vocational track;
- developing processes to establish quality standards; and
- establishing processes to eliminate the currently perceived dead-end nature of vocational education.

This would not only create a stronger VET pathways program for students but also improve TAFE's capability.

Choosing a vocational track will have limited appeal (to students and their parent(s)) unless access to high status relevant higher education is available. Raising the capability in some TAFE institutions to become a University College is the preferred solution and this term fits within the Higher Education Standards Framework.

Their role would be to be comprehensive, industry aligned adult institutions that are open to all. Their program breadth would assist in facilitating the development of higher apprenticeships as well as other

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<sup>7</sup> Firth J op. cit. p 86 - 88

applied qualifications at the intermediate skill level. In effect, if TAFE played a more dynamic role in pathways programs at the upper secondary level, not only are standards raised, but so too is the opportunity to integrate sectors.

Unless Victoria can produce better outcomes both educationally and from an employment perspective for students who undertake an alternative to existing VCE student numbers in VET, pathways will continue to decline. This, in turn, will lead to an increase in students in academic streams, more demand for university places and continued skill shortages as even greater student numbers reject VET including apprenticeships.

Firth's suggestion to integrate VET specialisations into the VCE is unlikely to transform curriculum or student demand. International best practice requires a separate track for VET as would the inclusion of Certificate III in upper secondary programs.

### **Skills for Victoria's Growing Economy Review (Jenny Macklin)**

The Report is wide-ranging and extensive and reflects the diversity and challenges that face vocational education in Australia to overcome skills shortages.

It identifies that Australia has labour market deficiencies which have been masked by using migration to overcome skills shortages. It states clearly that how Australia restructures to cope with global forces will be a significant factor in determining Australia's economic future. It confirms the OECD's findings that Australia has skills deficiencies, especially at the intermediate and higher intermediate skill levels and asserts a view held by many, that there should be curriculum change from narrow and specific qualifications to providing transferable skills to enable graduates to meet the needs of a constantly changing work environment.

Internationally it seems to be a consensus that literacy, numeracy and digital skills underpin successful employment experiences.

The Report's cornerstone recommendation is for the Victorian government to establish a new independent body called FutureSkills Victoria.<sup>8</sup> The first three chapters in the report set out its role and some of its tasks. It claims that establishing the Board and implementing the associated recommendation would have a beneficial effect on all Victorians, especially the young. It provides guidance to the government on the priorities with thirty recommendations, the majority of those being to establish the FutureSkills Victoria Board and its associated subsidiaries: Future Skills laboratories and extended job and skills centres.

### **The value of the Skills for Victoria's Growing Economy Review**

While Firth appears to seek a more integrated upper secondary program the idea of an integrated tertiary education sector is not supported by Macklin's report. Indeed, it is specifically rejected. It is rejected on the grounds that a fully integrated national adult learning system requires extensive negotiation between the Commonwealth and the State and a recalibration of roles.<sup>9</sup>

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<sup>8</sup> Macklin J. op. cit. p 12

<sup>9</sup> *ibid.*, p 62-63

It is a curious position because elsewhere in the report a range of suggestions and recommendations involving substantial negotiation between the Commonwealth and State are suggested as ways to assist learners to achieve their employment and/or educational goals. Some of these suggestions include training package reform, provide classification systems, individual learning accounts, increased Commonwealth support for apprentices and so forth.

In fact, the biggest weakness of the report is that whilst it is strong on cooperation and working across boundaries, it totally ignores secondary education and, apart from one negative comment about schools, makes no further reference to secondary education.

International comparative studies into the academic level of Australian qualifications suggests that Certificate III and below are upper secondary.<sup>10</sup> Further cutting-edge research from Alpha Beta identifies Certificates III as about year 12 standard and Certificates I and II below year 12, and that 63 per cent of the activity is at the Certificate I-III level. It is omitting any discussion about schools and the VET relationships and is a serious weakness. It is contradictory to the suggestions made in Firth's report, especially the role and involvement of TAFE institutions. The existing structural arrangements for VET delivered in schools are clearly unsuitable and provide dreadful outcomes for many students.

Macklin's failure to consider secondary education threatens VET's viability. Participation is falling and young people choosing apprenticeships as a preferred option is in rapid decline. Employers stress the unsuitability of applicants not only for apprenticeships but for a variety of jobs.

Macklin's report suffers because it perpetuates an educational policy based on arbitrary demarcations that define VET and marginalise applied learning. Adding another layer of bureaucracy (FutureSkills Victoria and its associated offshoots) to a system that has no connection to secondary education (even though most enrolments are at the secondary school level) and none to higher education is anathema to what the OECD considers reformed VET sectors, i.e. weak VET sectors have residual links to student progression to higher education.

### **Outcomes of key educational Australian tertiary educational reforms since 1990**

Since 1992, Australia has had three major initiatives at the post-secondary level. Up until the 1990s we had a network of Colleges of Advanced Education. These were expressly created as an alternative to academic universities by offering full degrees linked closely to labour markets. They stressed part-time adult study as well as open access and support for disadvantaged groups. Today they are pretty much forgotten and have since been subsumed into universities

In 2010 we decided to create a system of higher education primarily in public universities that had uncapped places funded by government. Governments decided that future prosperity relied on a university-only model to generate greater wealth for everyone.

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<sup>10</sup> *ibid.*, p 32

The third initiative around 2010 was to underpin VET with a market-based ideology that encouraged private providers to compete for government funding. The disaster that unfolded is the most scandalous in Australian educational history.

The return from these initiatives has been marginal.<sup>11</sup> Australia's productivity levels have fallen to such an extent that in 2019 they were below 1970 levels. This has been accompanied by wage stagnation, underemployment and job over qualification. Equity, in terms of student type, has at best been incremental. All are indicators of an educational and training policy that are out of balance. That is, our education and training system and our social and industry policies are out of kilter. VET enrolments are in serious decline.<sup>12</sup>

## Conclusion

A continuation of our existing policy of circumventing access to applied higher education by not embracing an integrated tertiary sector will ultimately mean that the TAFE sector will suffer the same fate as advanced colleges or at best become residual providers. That in itself will be a body blow to a society that prides itself on creating opportunities for all who want to maximise their educational potential.

Australia, as do all countries, need high quality research universities, however as do other countries Australia needs alternative applied higher education institutions that meet both community and student needs. Victoria with its credit rating downgraded and an historic reliance on immigration to mask skill shortages has to try and develop a relevant higher education sector.

Layering a VET system with another bureaucracy, no matter how well-meaning, is hardly the structural reform that Macklin craves in the opening chapter of her report. Many of the reforms proposed in the report have either been recommended in the report or have been suggested previously and not acted upon. Some of the reforms are of no consequence for students or the wider public. Does anyone believe that shared services for TAFE institutions would be a priority for students or the wider community?

Macklin's changes are incremental and will take years to implement. A reformed curriculum, tighter assessment, the development and implementation of core skills into all courses within an integrated tertiary sector that is aligned with a realistic industry policy is structural reform.

Structural reform is difficult and it may well cause some discomfort and lead to a realignment of responsibilities. Challenging the status quo, especially exiting frameworks, is a precondition of structural reform. The difficulty that educational reform faces is that the silos that have been created limit restructuring. The two reports reflect that reality.

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<sup>11</sup> MRI op cit. p7

<sup>12</sup> *ibid.*, p15



Perhaps a question FutureSkills Victoria might consider is what should tertiary education look like in the 21<sup>st</sup> century? When the question is answered then set out a “pathway” and timetable to meet the vision. One would hope that their vision did away with the arbitrary boundaries that inhibit social mobility and skill development in Australia.

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