

The Prime Minister on VET. No industry policy sloganeering = no jobs

by Bruce Mackenzie, chief researcher, Mackenzie Research Institute

The Prime Minister has announced another shakeup of the vocational education and training (VET) sector - the fourth iteration since 1990 of an “industry led system”.

In his address to the Press Club last week, the Prime Minister argued that Australia’s confusing and inconsistent vocational education system was leading too many people to go to university. “I want those trade and skills jobs to be aspired to, not looked down upon or seen as a second-best option. It is a first-best option.”

The Prime Minister’s comments do a disservice to the hundreds of thousands of students who have graduated from VET and are employed. VET graduate outcomes are remarkable, especially given that Australia does not have an industry policy and that training institutions don’t have sound labour market information on which to base the range of courses they offer to students.

The OECD finds that [83 per cent of all 25 to 34-year-olds who have a Certificate III are employed](#) - one of the highest rates of employment across the OECD. The employment rate for university graduates is 85 per cent, but it comes at a much greater cost to the community. Universities receive \$11 billion in funding annually while VET receives \$4.1 billion.

The reputation of vocational training has taken a huge hit over the past decade, as a result of the disastrous VET FEE-HELP scheme designed by the Commonwealth, which opened up the way for widescale fraud, and the inclusion of numerous for-profit training providers focused only on profit.

The Prime Minister complains about the [difference in student fees](#) on a state-by-state basis but this is a direct result of opening up the sector to for-profit providers who gouge government funding and students for maximum profit.

That said, VET is in need of urgent reform. Its curriculum focuses on entry level qualifications and is based around the assumption that people are preparing for specific jobs in primarily blue-collar employment. The evidence is that these jobs are in decline. VET curricular does not include core skills such as literacy, numeracy and

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basic digital competence, which are critical not only for occupational mobility, but also for further study.

In a middle-class society, to be an attractive destination, tertiary education has to provide clear pathways to further study. In 2015 researchers from the University College London surveyed Year 12 students in England regarding their [attitudes towards apprenticeship and work](#). They found that 56 per cent of respondents were “very interested” or “quite interested” in starting an apprenticeship if it were likely to lead to higher education. On the other hand, some 73 per cent were “not at all” or “not very interested” in an apprenticeship if there was no pathway to higher education.

Australia has exceptionally high levels of graduates trained theoretically, a large concentration of low-skilled workers and a dearth of intermediate-skilled workers. By comparison, in the OECD and the European Union successful economies have an education system that focuses on an intermediate skilled and a higher skilled workforce and minimises pathways into low-skilled jobs.

Their VET systems also have a direct pathway for students from one level of education into higher applied education, which is a feature of diverse university systems. Australia’s university system focuses on theoretical learning only.

Australia has a desperate need for intermediate-skilled workers, especially as standards are raised and supervisory and management personnel become increasingly important. The growth industries include architecture, building, engineering, business, health, and education and training - key enrolment areas of vocational education and training. Many VET graduates who are already working in these areas require access to applied higher education that is directly related to their employment.

The reform of vocational education and training has to start at upper secondary education and ensure that VET graduates have the options of entry into an applied university as well as gaining employment.

In much of the OECD, upper secondary education has twin tracks – a professional track and an academic track and both begin in Year 11.

In Australia, many students complete Year 12 and then undertake a pre-apprenticeship Certificate II course or an apprenticeship/traineeship at the

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Certificate III level. Certificate III courses and below are classified by the European Union and New Zealand as upper secondary education, not tertiary education. Students are sent backwards. These problems would not occur under a twin track system.

Australia needs a strong post-secondary education system. Strengthening connections between all the education sectors and developing a clear industry policy is vital to creating an aligned system. Vocational education and training is under-resourced and ideologically damaged. Australia cannot continue to financially deprive one part of the education sector and expect it to be able to make something new from nothing.

Employers, employee organisations, and educators together with government need to work cooperatively so that our education sector can contribute to efforts to transition our economy.

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