



Foreword.

This discussion paper is published by educonomy, an Australian based ed-tech solutions and consultancy firm that specialises in the future of education and ed-tech solutions for tertiary education organisations.

This discussion paper seeks to unpack the JobTrainer package that was recently announced by the federal government, and also explores the potential impact on both industry and training providers.

We are seeking to provoke thought and discussion, and the author encourages you to get in touch if you would like to discuss JobTrainer and the future of tertiary education in Australia.

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JobTrainer:

a pathway to economic recovery

On the 16th July 2020, the Australian Federal Government announced its skills investment program, 'JobTrainer'.

This program is set to focus on training and re-skilling those who are seeking employment, as our nation and its economy recovers from COVID-19.

This is positive news for the vocational education and training sector, which is in much need of support during these difficult times.

A new normal.

Across the globe, established nations are preparing for the imminent skills shortage crisis that is looming at the end of COVID-19.

It is anticipated that skills shortages will emerge in areas that were not expected and most likely will not be in the areas that people have lost jobs.

"The jobs and skills we'll need as we come out of the crisis are not likely to be the same as those that were lost."

Scott Morrison,
Prime Minister of Australia

A plummeting employment market.

With close to one million Australians currently out of work, our nation's jobless rate has reached a 22-year high of 7.4% in June.

In May the National Australian Apprenticeships Association reported that 5.5% of apprentices had either been suspended or cancelled since March, representing more than 16,000 trainees and/or apprentices being stood down or having their training cancelled. This number is expected to climb throughout the remainder of 2020 as we feel the knock-on effects of COVID-19.

"It is sad and it is upsetting for many Australians that the industries and places where they'd been working, they will find it very difficult to find new employment in those sectors... potentially for some time"

Scott Morrison,
Prime Minister of Australia

JobTrainer:

A lifeline for the Australian Economy, Industry and Training System

The JobTrainer skills package is the governments response to the impact of COVID-19 on the Australian economy and employment market.

JobTrainer is focussed on getting school leavers and job seekers into jobs.

This JobTrainer skills package is a generous tax payer funded contribution to the skilling of Australians and to the recovery of our economy in this 'new normal' situation, following on from the COVID-19 pandemic.

The JobTrainer skills package includes:

- \$2.5 billion in total funding including a \$500 million contribution from the states and territories
- States and territories are required to sign up for reforms to the funding of the vocational education and training sector
- \$1 billion of the funding (co-funded by federal and state governments) will go towards funding JobTrainer, to train and reskill school leavers and job seekers
- \$1.5 billion of the funding will be used to extend the apprentice and trainee wage subsidy
- Eligibility for the apprentice and trainee wage subsidy has been extended to include both small and medium sized businesses with up to 199 employees, provided they had an apprentice or trainee employed from 01 July 2020.
- The subsidy covers 50% of apprentice and trainee wages, up to \$7,000 each quarter.

The changes to the apprentice and trainee wage subsidy represents an increase from 47,000 employers and 81,000 staff covered, to almost 90,000 businesses and 180,000 employees covered around the country. This initiative is available to small and medium-sized businesses with up to 199 employees, who had an apprentice from July 1.

A gamble on apprentices and trainees?

The JobTrainer skills package has a heavy focus on getting school leavers and job seekers into jobs, with the government taking a huge gamble by putting 60% of its total funding package into the employment and retention of trainees, with reports of a huge drop in the uptake and completion of apprenticeships across the globe.

Will Industry, Australian employers and job seekers jump at the incentives being provided for the recruitment and retention of apprentices and trainees?

Or will Australian job seekers and employers react to the current situation in a similar way that has been observed in the UK and throughout Europe, where a significant drop in enrolment numbers and completions for apprenticeships and traineeships has been observed.

Only time will tell...

It could be argued that the Australian apprenticeship and traineeship system has faced issues for a number of years, and the challenges that JobTrainer seeks to address are longterm issues.

The question we should be asking is whether or not, COVID-19 is the symptom, or cause of the crash of the Australian apprenticeship and traineeship market.

JobTrainer:

Providing Australians with skills in demand to support the economic recovery.

This poses a number of challenges for both government and training providers, who will need to be agile in their approach to facilitating reskilling of school leavers and job seekers, and in the redeployment of the workforce that has been displaced by COVID-19 into new and emerging industries. It will be interesting to see whether or not, the federal and state governments take this as an opportunity to support training providers to harness the power of micro-credentials for the verification of existing skills and for the rapid delivery of targeted skills based training where it is needed most.

We can expect the federal government and the recently established National Skills Commission to play a more active role in working with the states and territories to determine the current and future skills needs. In her announcement, Minister Cash said that the National Skills Commission would play a critical role in identifying current and future skills needed in a challenging and changing labour market.

"We will work with States and Territories to develop a list of qualifications and skill sets that will provide job seekers with the skills that are in demand by employers and are critical to the economic recovery."

*Michaelia Cash,
Minister for Employment, Skills, Small and Family Business*

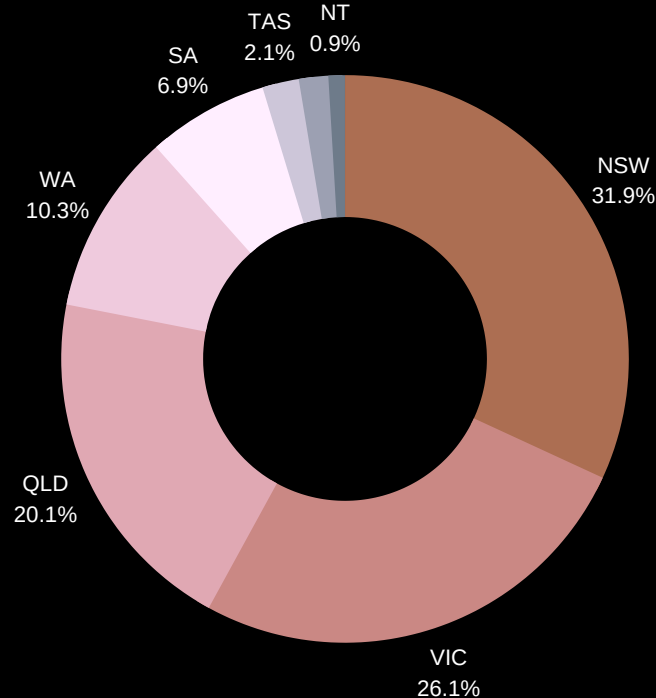
A national training system that is more responsive and aligned to areas of job growth.

JobTrainer promises to be a more responsive system with an additional 340,700 training places to help school leavers and job seekers access short courses and full qualifications, to develop new skills in growth sectors and to create pathways into further VET & HE studies.

It is being reported that the new training places will be spread across the country, with larger, more populated states receiving more places.

JobTrainer
Funded Places
(By State)

NSW	108,600
VIC	88,900
QLD	68,500
WA	35,200
SA	23,500
TAS	7,100
ACT	5,700
NT	3,200
TOTAL	340,700



What is this likely to mean for my organisation?

If you are waiting with bated breath to find out what these announcements mean for your organisation, or which qualifications are likely to be funded, you will need to wait a little longer as there are still a few states that still need to sign on, and of course, that would be the two problem children Victoria & Western Australia. For better, or worse, it is always those two states that seem to dig their heels in an attempt to stand their ground.

What the government has flagged, however, is that areas including healthcare, social assistance, transport, postal, warehousing, manufacturing, retail trade, wholesale trade as industries are likely to celebrate future job growth. The qualifications and courses to be in demand and to be eligible for funding is still unclear and will need to be worked out in due course by the National Skills Commission.

Other likely areas of job growth include new and emerging roles being created for **new collar workers** and **green collar workers**, as detailed by Australian tertiary education thought leader, Professor Marcus Bowles in his recent publication titled:

New Normal Part 3: Why non-traditional education is part of the new normal



Are Skill Sets a solution or a waste of time?

With recent announcements pointing towards the funding of Skill Sets, questions need to be asked about the appropriateness, responsiveness and viability of Training Package Skill Sets. Research by the NCVET shows that while Skill Sets in certain areas are quite popular, overall the findings of this research suggest that there are huge inconsistencies between different skill sets and concerningly poor uptake, with over 84% of skill sets have zero enrolments in 2018. The number of units with training package skill sets varies in size from one unit of competency right through to 33 units of competency, with the most common size for the number of units being three units of competency. No framework, benchmark or guidelines for best practice in the development of skill sets have been established.

The overall uptake of training package skill sets is disastrously low, with the ten most popular training package skill sets accounting for 68% of all skill set enrolments in 2018. In context, this means that a very small proportion of all training package skill sets (<1%) accounted for over a two-thirds of the enrolment activity. At the opposite end of activity relating to training package skill sets were over 1100 (84%) of current training package skill sets which had no enrolments recorded against them in 2018, and therein lies the problem.

Is the issue training package skill sets, or is it indeed the underlying foundation that they are built on (training packages)? The questions we must ask are:

- Are training packages responsive to the needs of industry?
- Are training packages fit for purpose?
- Are training packages able to rapidly respond to the pace at
- which industry and emerging skill needs are moving?

If you answered no to any of the above questions, then perhaps we need to consider whether, or not there are other options for being able to rapidly meet the emerging skills needed in the current context.

The future role of micro-credentials.

In a discussion paper titled '**The digital revolution of tertiary education**' that was published by the teams from Audit Express and educonomy in 2018, a strong case was put forward for the recognition of micro-credentials in the Australian Vocational Education and Training, and Higher Education sectors.

In this discussion paper the following key recommendations were made:

1. To conduct a review of the Australian Qualifications Framework (AQF), and for the addition and recognition of micro-credentials.
2. To establish a single commonwealth funding model for tertiary education, encompassing both VET and HE, and that this funding model should include the funding of micro-credentials.
3. To establish a recognised framework to measure the volume or weight of micro-credentials to allow for transferability and consistency in the recognition of skills.
4. To include micro-credentials in Training and Assessment qualifications (TAE Training Package)
5. Invest in upskilling the Higher Education and VET workforces to be able to work with micro-credentials.
6. For the adoption and use of Blockchain technology and Digital Certification for the issuance and verification of Australian Qualifications and Degrees.



In 2018 this was an aspirational wish list at best, seen by many as unnecessary and not possible. It is mind blowing and most rewarding to see how far the VET and HE sectors have come in just a few short years.

What is the future likely to hold?

It is difficult to read the tea leaves on what the future holds for Industry and the Australian Tertiary Education Sector, with both the Vocational Education and Training, and Higher Education Sectors each currently experiencing their own unique pain points.

One thing that is certain is that we will more than likely see more closures of private training organisations, as they continue to experience the impacts of COVID-19 on their businesses. This will particularly be the case for training providers that deliver English training and VET courses to international students. It is also quite likely that we will begin to see the training providers and universities working more closely, with the potential for some TAFE institutes and Universities to amalgamate.

If providers are to navigate their way through the rough seas that are on the horizon, it will be critically important that they are responsive to the needs of their customers, both students and industry. It is also key that providers are agile enough to be able to rapidly respond to skills needs as they emerge and operational needs as the current COVID-19 crisis continues to emerge.

The globalisation of education.

One of the biggest challenges for both providers and policy makers is how to tackle the globalisation of education, with the emergence of foreign owned and operated training providers promoting their courses in Australia seeming to have grown tenfold over the past 12-18 months.

Policy Makers need to very quickly gain visibility and understanding of the various types of accredited and non-accredited training providers that are currently operating in Australia, and also need to determine what, if any role the VET and Higher Education regulators should play in this space.

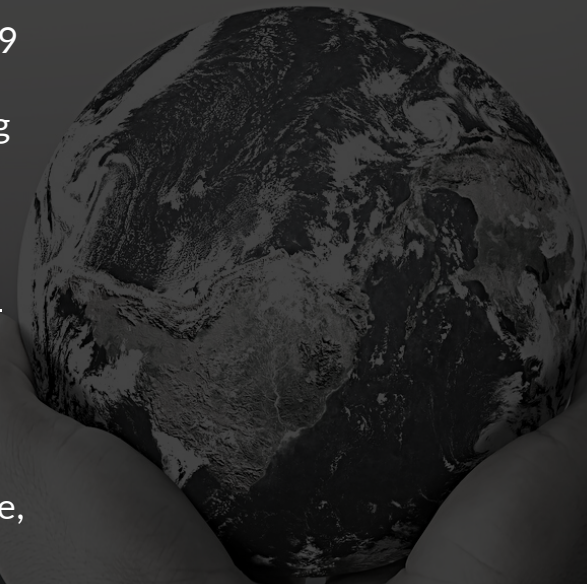
Providers are needing to simply get on with the task of establishing their own framework and systems for being able to compete in the MOOC and micro-credential marketplace which is growing in complexity and competitiveness by the day.

If providers sit back and wait for government to define and unpack how and where micro-credentials and MOOCs may be used in the Australian tertiary education context, they risk losing their brand presence and marketshare to the large global players who are already starting to dominate the space of adult and lifelong learning.

Is a global solution needed?

With reports from across the globe confirming a massive decline of traineeships and apprentices, with many employers being unable to continue with the existing trainees and apprentices, questions need to be asked about the merit in nations making a more joint effort in responding to COVID-19 at a global level. Instead of re-inventing the wheel with its response to COVID-19, should the government be harnessing the efforts of leading digital platforms such as Microsoft, which has launched an initiative to help 25 million people worldwide to acquire the digital skills needed in a COVID-19 economy? Along with the recent announcement from Google that they will be offering 100,000 scholarships in job growth areas including data analytics, project management, and user experience (UX) design. Also worth mentioning is the UNESCO 'Global Skills Academy' that is aiming to equip one million young people with skills in employability and resilience, while also helping them find jobs during the looming recession.

The team at educonomy are constantly looking to find efficiencies and for opportunities to innovate and collaborate, We often find ourselves reflecting on why governments at a local, state, federal and global level are not able (or willing) to combine efforts, to share resources and to work towards a common goal. Could COVID-19 be the catalyst for this? Perhaps Vocational Education and Training could be a good starting point.



About the author

Matthew Dale is the co-founder of both **Audit Express**, a leading Australian internal audit and quality assurance consultancy that specialises in the tertiary education space, and **educonomy**, a ed-tech solutions and consultancy firm that specialises in the future of education and ed-tech solutions. We support tertiary education organisations with ed-tech solutions and help them to establish micro-credential and digital badging frameworks.

Matthew has worked in the Australian tertiary education sector for the past fifteen years and prior to establishing Audit Express and educonomy, worked as a trainer assessor, RTO manager, General Manager of Quality & Compliance and Policy Advisor to the Victorian Minister for Skills and Higher Education.

Matthew is passionate about the future of the tertiary education in Australia, and in particular the future of Vocational Education and Training (VET). Matthew is a strong advocate for the sector and regularly contributes to the policy discussion and public debate in relation to VET.