

Our Ref: #199618

15 January 2018

The Honourable Steven Joyce
Chief Reviewer
Expert Review of Australia's Vocational Education and Training system
Department of Prime Minister and Cabinet
P.O. Box 6500
Canberra ACT 2600

Dear Mr Joyce,

Expert Review of Australia's Vocational Education and Training system

The National Centre for Vocational Education Research (NCVER) welcomes the Expert Review of the Vocational Education and Training system, and I have pleasure in attaching our submission as part of the public consultation process.

NCVER is an independent, not-for-profit company owned by the Australian Government and state and territory government ministers responsible for vocational education and training (VET). NCVER collects, manages, analyses and communicates research and statistics about VET. NCVER has a strong record in research and data analytics projects, as well as delivering contemporary research and analytical solutions that are valuable to our stakeholders.

The nature of our submission is around the crucial importance of ensuring an ongoing research and statistical evidence base for VET for policy consideration and system planning and explores the potential of a more connected tertiary education resource.

I would be happy to discuss with you any content in the submission or to offer additional material to the review and can be contacted directly on (08) 8230 8400.

Thank you for the opportunity to submit to the Expert Review.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Walker', written in a cursive style.

Mr Simon Walker
Managing Director

Expert review of Australia's vocational education and training system

January 2019

Name: National Centre for Vocational Education Research (NCVER)
Contact: Simon Walker, Managing Director
Phone: 08 8230 8400
Email: simon.walker@ncver.edu.au

Overview

NCVER's submission is based on its experience of managing research and national VET data collections and their associated statistical standards for Australia's VET sector.

Context

NCVER is the official collection agency for national VET statistics. As the trusted data custodian, NCVER collects this information under the authority of ministers responsible for education and training and the registration requirements legislated for training providers.

In addition, NCVER undertakes a strategic program of research and evaluation through our in-house research program, and research guided by the Australian and State and Territory governments. NCVER also publishes and communicates the results of its extensive research effort. For almost 35 years, NCVER has been providing information to a wide range of stakeholders within both government and non-government sectors.

About NCVER

NCVER is an independent, not-for-profit company owned by the Australian Government and state and territory government ministers responsible for vocational education and training (VET). NCVER collects, manages, analyses and communicates research and statistics about VET. NCVER's vision is to transform national understanding of VET.

The case for government investment in data and research evidence in VET

Investment by governments in data and research is important from a range of perspectives, from providing an evidence base to plan and allocate resources through to understanding the effectiveness of interventions and as a 'public good' service.

Karmel, 2011 identified three (3) main reasons for why governments should invest in a sound evidence base for VET in Australia:

- First, the need for a comprehensive data collection for public policy. Governments can only make sensible resource allocation decisions if they have a complete picture of the level of vocational education and training activity and subsequent outcomes.
- Second, the need for a comprehensive data collection for quality assurance. A sound and comprehensive statistical collection is a necessary foundation for an effective quality assurance system.
- Third, the need for a comprehensive data collection for consumers. It is important for consumers, whether they are individuals or businesses, to have plentiful information about a potential provider; for example, what courses the provider offers, how many students have undertaken the various courses, what are the pass rates and completion rates of the various courses.

The Australian Chamber of Commerce and Industry identified the importance of adequate and continued government investment in research and data in Vocational Education and Training; for policy consideration and to support real-time understanding of industry training trends and to provide more 'nuanced' labour-market analysis and forecasting. In this, they recognize the research and analysis undertaken by the NCVER as a valuable resource (ACCI, 2016).

The priorities of Australian governments are changing. So too are the expectations of other important stakeholders, such as business groups, unions, employers, employees, students, and parents. They want closer to 'real-time' data and more integrated analysis underpinned by contemporary data science approaches.

Similarly, a range of commentators have called for a more strategic approach to applied research in VET to maximise the sector's role in Australia's innovation system to improve innovation output, particularly new-to-market innovations and innovation collaborations between businesses (Fowler, 2016, Goedegebuure and Schubert, 2017, ISA, 2017, VTA, 2018 and Beddie and Simons, 2018).

Spending on research in the VET sector is modest in comparison to other education and human service sectors, relative to the size of the sector – there were an estimated 4.2 million students enrolled in VET with an Australian training provider in 2017 with total government spending on VET of \$6.1 billion (NCVER, 2018a, NCVER, 2018b). Total government funding for NCVER statistical and research services is around \$18m per annum, including specific funding for the national VET research program of around \$2.5 million.

In relation to the relative cost of maintaining a statistical evidence base for VET, NCVER has been working with stakeholders to achieve efficiencies in many ways including reducing the complexity and burden of collections and in delivering efficient 'one touch' data submission and data quality processes – things that are being considered in the current redevelopment and audit of the Higher Education Data Collection.

Toward a whole-of-tertiary education approach to evidence

In Australia, the higher education and vocational education sectors operate in separate and distinct ways, somewhat at odds with the reality that many education providers offer courses across both sectors, and that large numbers of people move between the sectors to satisfy their education and training needs. In terms of employment, graduates from both sectors share many skills in common and often enter closely related occupations in the labour market.

A statistical and research information base covering the whole of the tertiary education sector would better reflect the realities of the modern education and training landscape and contemporary labour markets, indeed, there is a case to extend such an arrangement to the whole of post-compulsory education, given the increasing importance of vocational education and training in the latter years of secondary schooling. Current arrangements for research and data collection across the full tertiary sector are not yet closely connected and such an arrangement could make understanding the full student journey simpler and administratively more seamless.

A range of recent reviews and reports (such as the Business Council of Australia, 2018, KPMG, 2018, Innovative Research Universities (IRU) group, 2018, Nous Group, 2018) point to the importance of taking a whole of tertiary sector approach to reform in education underpinned by a coherent, shared guiding framework. In addition, there is a call for better and comprehensive market information to assist consumers to make informed course and job decisions and to put the learner in charge.

The Productivity Commission in 2017 proposed a national education evidence base; a recommendation from their review is that Australian, state and territory governments must take a shared and co-operative, connected approach to developing a high-quality and relevant Australian education evidence base. See in particular, <https://www.pc.gov.au/inquiries/completed/education-evidence/report>

To a significant extent, such a 'connected' model as outlined by the Productivity Commission already exists in the function of the NCVER, at least for the VET sector. Presently, the national VET research agenda is overseen by Commonwealth and State and Territory governments which informs NCVER's research focus and the types of investigations that are priorities for the nation. On the data side, NCVER works closely with national VET data advisory groups to inform the collection of data to ensure they continue to meet the VET system's needs.

As highlighted by Professor Peter Shergold at the 2018 national VET Conference (No Frills), NCVER's statistical storehouse provides a "strong foundation for evidence-based policy, stimulates creative research and informs a contestable public market for the provision of VET. The onset of total VET activity (TVA) can vastly increase our understanding of how citizens exercise educational choice."

NCVER is well placed to expand on its remit to encompass data collection and reporting across a broader tertiary scope. This potential was identified back as far as the *Bradley Review of Higher Education* in 2008, and especially recommendation 46 which proposed an expanded role for NCVER in the collection and reporting of tertiary education statistics and in research. In addition, Bradley called for improvement to the scope and coordination of labour market intelligence so that it covers the whole tertiary sector and supports a more responsive and dynamic role for both vocational education and training and higher education (Bradley et al 2008).

The Bradley review panel concluded that, rather than create a new higher education research body, the NCVER's remit be widened to cover research, analysis and data collection for the whole tertiary sector. This would, they suggested, require an expansion of the organisation's research capability by the recruitment of higher education specialists and the development of a policy-led research agenda (Bradley et al, 2008).

Although this recommendation was not adopted, NCVER is to a degree already providing cross-sectoral research services through our management of the Longitudinal Surveys of Australian Youth (LSAY), VET in Schools Collection and production of statistical and data linkage publications encompassing the broader tertiary education experience. The ownership and structure of NCVER means that it could potentially discharge a broader remit with only relatively minor changes to its articles of association and board structure.

A major direction that NCVER is taking in its *Strategic Plan: 2017 - 2021* (NCVER, 2017) is to maximise the power of data analytics integrated with research to transform national understanding of VET and the tertiary sector. To this end, we will continue to invest in expertise that allows us to better understand system dynamics and performance and the connections between the different education and training segments.

In providing this short submission, NCVER would be pleased to additionally meet with the review team or to provide supporting information to assist the work of the expert review if requested.

References

- Australian Chamber of Commerce and Industry, 2016, Focus on Skills: Building a Better National VET System, Policy Position Paper, viewed 7 January 2019, <https://www.australianchamber.com.au/publications/position-paper-focus-on-skills-building-a-better-national-vet-system/>
- Australian Government, 2018, Education and Training Portfolio Additional Estimates Statements 2017–18, viewed 9 January 2019, <https://docs.education.gov.au/node/49246>
- Beddie, F and Simons, L, 2018, VET applied research: driving VET's role in the innovation system, Adelaide, NCVER, viewed 9 January 2019, https://www.ncver.edu.au/_data/assets/pdf_file/0026/916163/VET-applied-research-driving-VETs-role-in-the-innovation-system.pdf
- Bradley, D, Noonan, P, Nugent, H and Scales, B, 2008, Transforming Australia's Higher Education System: Report of the Expert Panel, Commonwealth of Australia, viewed 14 December 2018, <http://hdl.voced.edu.au/10707/131634>
- Business Council of Australia (BCA), 2018, Future Proof: Protecting Australians through Education and Skills, BCA, viewed 7 December 2018, https://d3n8a8pro7vhmx.cloudfront.net/bca/pages/4386/attachments/original/1542258016/LoRes-2018_BCA_EDUC_Future_Proof_WIP1A_%281%29.pdf?1542258016
- Fowler, C, 2016, What the National Innovation and Science Agenda (NISA) Didn't Say About Skills and Jobs, Opinion Piece, Adelaide, NCVER viewed 7 January 2019, <https://www.ncver.edu.au/news-and-events/opinion-pieces/what-the-national-innovation-and-science-agenda-nisa-didnt-say-about-skills-and-jobs>
- Goedegebuure, L. and Schubert, R, 2017, Bridge to Opportunity: TAFE as Key Partners in Innovation Ecosystems. LH Martin Institute, Melbourne Centre for the Study of Higher Education, the University of Melbourne, viewed 7 January 2019 <https://www.tda.edu.au/wpcontent/uploads/2018/02/Report-lhmi-Bridge-to-opportunity.pdf>
- Innovative Research Universities (IRU) group, 2018, Towards a Tertiary Future Discussion Paper, Melbourne, viewed 18 December 2018, <http://www.iru.edu.au/wp-content/uploads/2018/11/Towards-a-Tertiary-Future-discussion-paper-Nov-18.pdf>
- Innovation and Science Australia, 2017, Australia 2030: prosperity through innovation, Australian Government, Canberra. Viewed 7 January 2019 <https://www.industry.gov.au/data-andpublications/australia-2030-prosperity-through-innovation>
- Karmel, T, 2011, Collecting 'total' vocational education and training activity: Position Paper, Adelaide, NCVER, viewed 18 December 2018, https://www.ncver.edu.au/_data/assets/file/0018/2961/2380.pdf
- KPMG, 2018, Reimagining Tertiary Education: From Binary System to Ecosystem (by Parker, S, Warburton M and Dempster, A), viewed 14 December 2018, <https://home.kpmg.com/content/dam/kpmg/au/pdf/2018/reimagining-tertiary-education.pdf>
- NCVER, 2017, Strategic Plan: 2017 – 2021, Adelaide, NCVER, viewed 14 December 2018, <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/ncvers-strategic-plan-2017-20>
- NCVER, 2018a, Total VET students and courses 2017, Adelaide, NCVER, viewed 9 January 2019, <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funded-students-and-courses-january-to-june-2018>
- NCVER, 2018b, Government funding of VET 2017, Adelaide, NCVER, viewed 14 January 2019, <https://www.ncver.edu.au/research-and-statistics/publications/all-publications/government-funding-of-vet-2017>
- Nous Group, 2018, Diversity in Australian Tertiary Education: Turning Words into Actions (by Griew, R, Borthwick, J, Barnes, C & Murali, A), viewed 7 December 2018, <https://www.nousgroup.com/wp-content/uploads/2018/10/Diversity-in-Australian-tertiary-education-.pdf>
- Productivity Commission, 2017, National Education Evidence Base: Inquiry Report, Canberra, Commonwealth of Australia, viewed 14 December 2018, <https://www.pc.gov.au/inquiries/completed/education-evidence/report/education-evidence.pdf>

Victorian TAFE Association, 2018, Applied Research and Innovation in VET: Discussion Paper, Melbourne, VTA, viewed 9 January 2018, <https://www.vta.vic.edu.au/doctest/governance/resource-materials/876-wfcp-ar-ag-discussion-paper-applied-research-and-innovation/file>