

LGNSW SUBMISSION

# NSW VET Review 2023

24 November 2023



Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

## OVERVIEW OF THE LOCAL GOVERNMENT SECTOR



Local government in NSW employs **55,000 people**



Local government in NSW is responsible for about **90% of the state's roads and bridges**



Local government in NSW looks after more than **\$177 billion** of community assets



NSW councils manage an estimated **4 million tonnes of waste** each year



Local government in NSW spends more than **\$2.2 billion** each year on caring for the environment



NSW councils own and manage more than **600 museums, galleries, theatres and art centres**



NSW has more than **350 council-run libraries** that attract tens of millions of visits each year



NSW has more than **400 public swimming and ocean pools**

# INTRODUCTION

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils, County Councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the state.

This submission was endorsed by the LGNSW Board in February 2024.

Local Government NSW's 2023 Advocacy Priorities highlight the critical issues facing the local government sector and are informed by the local experience of councils across the state. Addressing Skills and Labour Shortages is an advocacy priority of LGNSW, as skills and labour deficits hamper economic recovery and hinder the ability of councils to deliver the services and infrastructure required by their communities.

In 2023 LGNSW's Skills and Labour Advocacy Priority calls for the NSW and Commonwealth Governments to:

1. Invest in training to support paraprofessionals, trades and entry-level pathways to employment in local government and to upskill councils' workforces in response to new and emerging jobs and work.
2. Allow for greater flexibility/overcoming barriers to accreditation/registration of professional and trades employees.
3. Ensure all areas of need have equitable access to VET and tertiary courses and educational institutions – including face-to-face training – and consult with councils in identifying needs.
4. Drive local economic recovery through initiatives to address labour shortages impacting primary producers, businesses and councils across NSW.
5. Commit to incentives (such as scholarships, cadetships, wage subsidies) to address critical local government skills shortages.

Findings from the 2022 Local Government Workforce Skills and Capability Survey<sup>1</sup> revealed that 91% of councils were experiencing skills shortages in 2021-22 and 66% of respondent

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<sup>1</sup> Australian Local Government Association, 2022 Local Government Workforce Skills and Capability Survey, NSW Report.

local governments said that project delivery had been impacted or delayed by vacancies, skills shortages, skill gaps or training needs.

LGNSW welcomes the opportunity to contribute to the 2023 NSW VET Review. Our comments are drawn from the above research, advocacy requests and reports from councils (including Local Water Utilities) in NSW, and experiences and observations working with the VET system over recent years.

## **BOOSTING STUDENT SUCCESS**

Student success, following the completion of a VET qualification, will be dependent on a range of factors:

- Opportunities for work in their field of study and in their preferred location.
- The quality of their training which will impact on skills, confidence, and capacity to compete for work or perform their role.
- The extent to which their qualification articulates to higher level qualifications (VET or tertiary), illustrating a clear career path in their chosen vocation.
- The extent to which their new skills are transferable to other industries, or employers in other geographic locations.

Barriers to successful completion of VET programs could be reduced by:

- Ensuring that the quality of delivery and course content is engaging for the learner, relevant to industry needs, and contributes to employability. To this end, the government should continue to monitor and report on course completions for each RTO and qualification funded under Smart and Skilled, and allocate funding for industry validation of assessment across key VET courses, to ensure that modes of delivery and assessment are appropriate.
- Providing mentoring and support for learners in pathways such as traineeships and apprenticeships. This includes support from external mentors, such as experienced practitioners or past learners, who can provide guidance, share experiences and technical knowledge, and offer career advice. Additionally, it would be beneficial to

establish online networks of apprentices and trainees in the same or similar vocations, because many work in relative isolation with small employers or in rural locations.

- Establishing formal networks between RTOs, industry peak bodies, and local employers in related industries, to facilitate work placement and exposure to real-world work. Incentivising employers to offer paid work experience and internships would help to compensate for the additional supervisory time required, to provide learners with practical experience and potential longer-term job opportunities upon course completion.
- Ensuring equitable access to VET programs right across NSW, including face-to-face training, particularly in under-served rural and regional NSW.
- Making available quality career guidance information to help learners make informed choices about qualifications, programs, and potential career paths. NSW DPE recently funded LGNSW to develop a series of videos, a brochure, and online information about careers in the water industry in regional NSW. These resources, made by local government, for local government, would not have been produced without government funding. They are now available on the NSW DPE, Australian Water Association and [Careers at Council](#) websites. The development of these resources, accompanied by a 4-week media campaign, is a great example of how government and industry can collaborate to raise awareness about the job opportunities in an industry in which skills and labour shortages have serious implications for the continued provision of safe and reliable water and wastewater services.

## **PLACING TAFE AT THE HEART OF THE SYSTEM**

LGNSW supports all efforts to strengthen the quality, scope of delivery and regional coverage of TAFE NSW services. Over recent years, councils and students have observed or experienced declines in TAFE's reputation, training standards, and breadth and location of courses, largely as a result of funding reductions, staff turnover, organizational restructuring, and changing priorities in respect to public good versus commercial services.

At the same time, NSW has seen the growth in VET delivery by private providers, many of whom offer high quality training and demonstrate flexibility and responsiveness to industry needs.

It is LGNSW's observation that in recent years, TAFE NSW has pursued business that is commercially lucrative at the expense of "thinner" markets. As a result, TAFE has either withdrawn or significantly reduced its offerings from training packages such as local government and water. With 73% of NSW councils located in regional or rural areas, the impact of withdrawing local TAFE courses is significant. In the 2022 ALGA survey, 39% of respondent councils said "unable to source quality training programs and/or trainers that can be delivered locally" was a driver of unmet training need. A further 20% of councils cited "unable to source training programs with relevant content" was another driver.

Should TAFE receive an increased proportion of NSW VET funding in the future, policymakers need to be mindful of:

- The capacity of TAFE NSW to deliver the **quality** of training required by industry and students (at least in the short to medium term), given inadequate staffing to develop new training resources and deliver the courses. With fewer qualifications now on scope, TAFE has tended to direct employers and students to alternative skills sets and qualifications that they can deliver, thereby diluting the relevance of the content to the employer/student's needs.
- The capacity of TAFE to deliver the **volume** of training required by the market when campuses have been closed, IT systems and physical infrastructure require updating and teachers need to be sourced and trained.
- The **mode of delivery** is appropriate for the learner and the skill being taught. In-person, face-to-face delivery is preferred by rural councils, whilst blended learning is the preferred model for urban and urban regional councils. Online learning and assessment should not be the default learning mode to save costs or be the solution to rural and remote learning, particularly in units of competency that require hands-on

demonstration, application, and assessment. For many students, online learning is not effective.

To position TAFE NSW at the heart of the VET system, TAFE needs to:

- Regain the confidence of the market by **reducing its focus on commercial services** and profit generation and being responsible for the delivery of training to thin markets that the private sector will not adequately service. This includes delivery to rural and regional NSW and to small industry sectors that provide essential products and services to communities. It also includes the provision of training to disadvantaged students who require greater support.
- Ensure the **quality and relevance** of TAFE NSW courses, with a focus on industry consultation in design and continuous improvement. There needs to be more emphasis on teaching content, rather than oversight of self-paced learning via online resources. TAFE needs to involve industry in the validation and moderation of assessment, to ensure that assessment methods are consistently delivering the competencies required. With ongoing industry collaboration, TAFE's courses will evolve with changing industry needs and technologies.
- Attract and retain **quality teachers** from industry and provide ongoing support and professional development. The VET system is complex, and TAFE should develop high-quality teaching and assessment resources that can be readily and consistently delivered by its teachers. TAFE could consider offering **scholarships** to industry specialists in key vocations as an incentive to attract more part-time teachers with recent industry experience. The scholarships would cover the costs of Cert IV Training and Assessment and a contribution towards the time taken to acquire the qualification.

## **DELIVERING VET IN NSW**

LGNSW agrees that the current funding arrangements are complex for RTOs and consumers.

However, it is recommended the following principles be retained or adopted in future funding arrangements:

- Transparency in funding allocations to all RTOs, including TAFE NSW.
- A co-contribution model for employers and non-disadvantaged students, rather than a fixed price model for delivery. This would allow employers to pay for additional content, customisation or style of delivery beyond the scope of the funding.
- Additional loadings for rural and remote locations, and face-to-face delivery.
- Additional loadings for disadvantaged students, as classified currently.
- Encourage collaboration across training providers, industry and government agencies to improve access to quality training and trainers.
- Increasing prices for courses with higher equipment costs or resource requirements. Industries with unique or site-specific training requirements should also receive additional funding. For example, NSW base funding for Certificate III Water Industry Operations is less than other states. Given NSW has struggled to attract RTOs to deliver this in-demand qualification, the funding associated with delivery should be increased to incentivise RTOs to enter the market in NSW.
- Reward RTOs that demonstrate high-quality training, learner satisfaction, and employment outcomes (where relevant), by linking a proportion of the funding to the performance of the RTO.

In relation to incentivising employers to participate in the VET system, it is suggested the NSW Government consider:

- Providing wage subsidies to employers who employ a minimum percentage of their workforce as trainees/apprentices.
- In return for the wage subsidy, employers would be asked to ensure that (an agreed) percentage of staff undertake Cert IV TAE (or TAE skill set) and those individuals are made available to RTOs to assist with training and assessment. This would help to broaden the skills base of supervisors/team leaders/managers and build the workforce of trainers and assessors.

LGNSW also recommends the NSW Government streamline the number of staff who are responsible for promoting Smart and Skilled and assessing applications across a geographic



area. The current plethora of job roles and responsibilities (both at a Commonwealth and State level) is confusing to employers. From past experience with the Local Government Skills Strategy, and more recently with the Skills Broker for the Water Industry, it is much more effective and efficient for a dedicated individual or small team, to work with an industry sector like local government. The specific VET needs, challenges, and opportunities for employers are better understood by a dedicated resource who can broker funds on behalf of the Department of Education.

## **PREPARING VET FOR THE FUTURE**

With a shift to higher skills requirements in jobs of the future, there are:

- pressing needs for VET to better articulate to the tertiary sector. These discussions should be held at the training package development stage, rather than be left to individual RTOs and universities to negotiate.
- opportunities for the VET system to offer a wider range of micro-credentials (accredited and non-accredited) to supplement learning in the tertiary sector. These skills could relate to new technologies, management/leadership skills, and interpersonal skills.
- tendencies for governments to prioritise funding for emerging, growth industries at the expense of essential services, like local government and water (amongst others). Upskilling existing workers to adapt to new technologies and training new employees in roles that are critical to the servicing of our communities should also be prioritised.

For the NSW VET system to effectively respond to current and future economic, social, and environmental challenges, it needs to be informed by:

- sound research on emerging industry issues and needs.
- data that monitors the effectiveness and performance of current VET models, both in NSW and other jurisdictions.
- close collaboration with industry (peak bodies and employers) on the strengths, weaknesses and opportunities for improvement in the VET system.