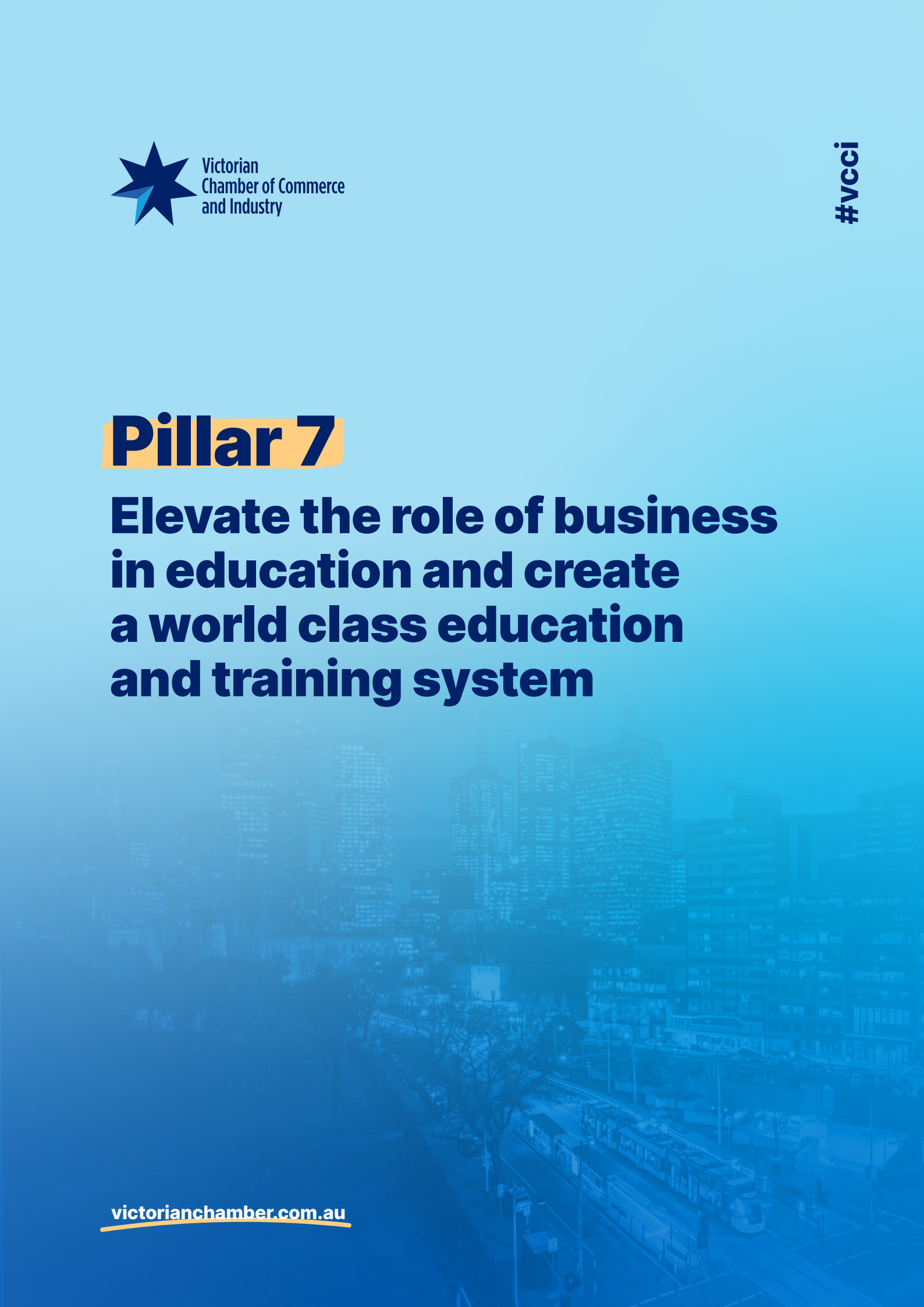
Victorian
Chamber of Commerce
and Industry

#vcci

Pillar 7

Elevate the role of business in education and create a world class education and training system



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Acknowledgement of Country

The Victorian Chamber of Commerce and Industry acknowledges the Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the Traditional Custodians, the Wurundjeri people of the Kulin Nation, of the lands on which the Victorian Chamber head office is located and extend this respect to all lands across the country.

We pay our respects to ancestors and elders, past and present, and support the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples. We endeavour to develop stronger and enduring partnerships with First Peoples and work together to achieve economic, social and cultural equity and prosperity across Victoria.

We are committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

Victorian
Chamber of Commerce
and Industry

Pillar 7: Elevate the role of business in education to create a worldclass education, training, and employment system



Our future competitive advantage and prosperity rests on our ability to reverse the decline in Australian education outcomes and create a world class education, training, and employment system.

Pillar 7: Elevate the role of business in education to create a worldclass education, training, and employment system

Ensuring Australians have the competencies and skills needed for the jobs of today – and the jobs of the future –is the responsibility of the education and training system.

Rather than having world-class education and training, which Australians rightly expect, the system is currently failing. Despite the billions that are spent every year in education, Australian students in primary and secondary school continue to fall behind their counterparts overseas.

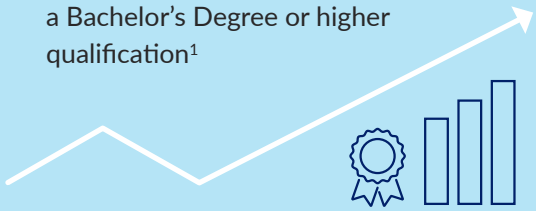
The most recent Programme for International Student Assessment (PISA) scores released in December 2023 showed deeply concerning national education outcomes, especially for Victoria with results for literacy and numeracy the worst on record.

Where we sit currently:

- Almost half of Victorian students are not meeting the standards in maths
- Forty-one per cent are not meeting the standards in science and reading

Where we need to be heading:

- Over the next 10 years, more than nine out of 10 new jobs will require post-secondary qualifications
- Around 44 per cent of jobs will require a vocational education and training (VET) qualification
- Forty-eight per cent will require a Bachelor's Degree or higher qualification[1]



A new approach is needed to ensure that the system is built for the future. This is a matter of national importance.

We need to move to a more coherent approach towards lifelong learning nationally, as has been recommended in the report by Dr Peter Shergold AC *Looking to the Future: Report of the review of senior secondary pathways into work, further education and training*. We also need a more integrated approach to higher education that better connects the VET and university sector.

Business is a key stakeholder.

The Australian Universities Accord recommended the establishment of a Tertiary Education Commission (TEC) that would be responsible for developing a new tertiary education funding model. The Victorian Chamber recommends that TEC's role be expanded to include the VET sector and representatives from the business community.

As noted in the Shergold report, Australia should be embedding modernised career advice in our schools, promoting different types of qualifications equally, and ensuring student awareness of multiple career and educational pathways.

The perception of VET careers and pathways needs to be lifted to correspond with its importance in delivering critical skills and workers Australia relies on. It is highly valued by Victorian Chamber members because of the role in developing skills in industry and providing a critical pipeline for workers into jobs.

The Federal Government's Employment White Paper found that today 51 per cent of jobs require a VET qualification versus the 35 per cent that require a Bachelor's Degree or higher. The paper notes "the future labour market will demand ongoing rebalancing of the types of skills delivered across the tertiary sector."[2]

Investment in apprenticeships, traineeships and work-integrated learning is essential. To meet skills needs, commencements and completions in VET pathways must be strategically enabled and incentivised.

1 Working Future: The Australian Government's White Paper on Jobs and Opportunities Final Report September 2023, Chapter 5, Page 98

2 Working Future: The Australian Government's White Paper on Jobs and Opportunities Final Report September 2023, Chapter 5, Page 98

Pillar 7: Elevate the role of business in education to create a worldclass education, training, and employment system

Wage subsidies are critical for driving up apprenticeship commencement and completion numbers.

As home to a highly successful AASN, with an apprenticeship completion rate significantly higher than the national average, the Victorian Chamber understands what employers and apprentices need to drive up commencements and completions. Completion hiring incentives need to continue for all apprentices and contain employer incentives at 12 months and at completion. Increases to employer benefits for school-based and part-time apprentices and trainees need to be rolled out.

Additionally, to drive lifelong learning and equip workers and industry with changing skills and jobs needs, we need to increase delivery and integration of short, stackable training options, including industry-delivered micro-credentials. At the university level, we should be building deep relationships between universities and industry. An approach with industry as a key partner will help to ensure we get the right mix of teaching key workforce skills at scale based on industry needs, ensuring that business has job ready graduates. Relatedly, it will boost opportunities for research collaboration, which will in turn increase commercialisation opportunities and boost productivity.

We also recommend the creation of an Employment Parity Initiative, which was a best-practice program that achieved significant results for employment of Indigenous youth. This initiative could be expanded to include other cohorts that face barriers to employment including people with disability, refugees, and older women.

The Victorian Chamber notes the work of the House of Representatives Select Committee on Workforce Australia Employment Services, Inquiry into Workforce Australia Employment Services and supports the recommendations, particularly those that relate to the involvement of the private sector as a partner and key stakeholder.

The employment services system needs to be overhauled as a matter of urgency and replaced with a 21st century framework that ensures jobs seekers have access to the education and training opportunities they need. It is equally imperative that the system is centred also on the needs of employers and industry to better match and prepare candidates to jobs.

A coordinated and efficient services system will have the added benefit of lifting the workforce participation of those who are under-represented in the labour market. This requires a demand-led model, underpinned by value-for-money and partnership with business and industry. This model must be easily accessible for employers.

Demand-led, place-based employment approaches based on the real workforce needs of business offer sustainable, long-term employment opportunities.

For those who face significant barriers to employment, the service system must be the front door to the broader human services system that is better equipped to provide the necessary support.

Demand-led, place-based employment approaches based on the real workforce needs of business offer sustainable, long-term employment opportunities.





Victorian Chamber of Commerce and Industry

The Victorian Chamber of Commerce and Industry (VCCI) is the largest and most influential not-for-profit business organisation in Victoria, informing and servicing more than 85,000 members and clients across the State.

Through our policy and advocacy work, professional development courses, workplace relations and consulting services, we help thousands of businesses every year to improve workplace performance and achieve business growth and success.

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This paper was prepared by the Victorian Chamber of Commerce and Industry. While the Victorian Chamber has endeavoured to provide accurate and reliable research and analysis, it will not be held liable for any claim by any party utilising this information.

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