

NSW Business Chamber submission

Vocational Education and Training Reform VET Reform Taskforce

April 2014



NSW Business Chamber

NSW Business Chamber (the Chamber) is one of Australia's largest business support groups, with a direct membership of more than 15,000 businesses, providing services to over 30,000 businesses each year. Tracing its heritage back to the Sydney Chamber of Commerce established in 1825, the Chamber works with thousands of businesses ranging in size from owner operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises. The Chamber is a leading business solutions provider and advocacy group with strengths in workplace management, occupational health and safety, industrial relations, human resources, international trade and business performance consulting.

Operating throughout a network of offices in metropolitan and regional NSW, the Chamber represents the needs of business at a local, regional, state and federal level, advocating on behalf of its members to create a better environment for industry.

The Chamber is consistently engaged in policy interaction with government regarding employment, education and training issues, providing high level input and recommendations to support employers' engagement in a range of workforce development programs.

The Chamber's views in relation to employment, education and training reflect both our commitment to represent members' concerns, and our experience delivering training, recruitment and apprenticeship services.

The Chamber's employment, education and training policy development is supported by our Workforce Skills Policy Committee, which includes employer representatives from regional and metropolitan areas.

The Chamber is also a member of the Australian Chamber of Commerce and Industry (ACCI) and participates on ACCI's Employment, Education and Training Committee.

Introduction

In recent years, the Chamber has driven significant public policy debates in NSW. Our goal in doing so is to help create an economic environment that is supportive of productivity, growth, investment and jobs.

Secretary to the Treasury, Dr Martin Parkinson, recently emphasised the importance of improving Australia’s competitiveness in global markets. Dr Parkinson pointed out that this will require investment in the skills of our workforce so that Australians have the opportunity to move into higher paid jobs. It also means investing in infrastructure that has a high economic return and ensuring that firms and their employees are freed from unnecessary regulatory burdens. And it means having the right incentives in place to encourage innovation and competition.¹

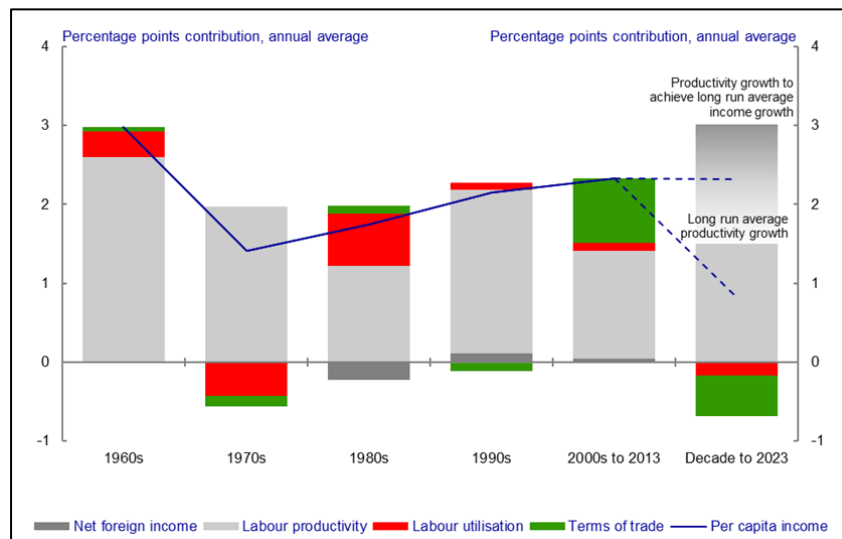


Figure 1: Contributions to annual income growth

As Figure 1 above demonstrates, productivity is the key long-run driver of income growth and its role will be crucial in the coming decade.²

Australian industry needs a skilled, flexible and motivated workforce that contributes to productivity gains and drives economic development. Ensuring that the available workforce has the skills and knowledge required to meet the needs of industry and employers is a significant issue for NSW and Australia.

The Chamber believes that addressing high levels of youth unemployment through more effective school to work transitional arrangements, increasing employment participation and driving productivity growth need to be a central focus of the NSW and Australian Governments and the broader community, including business.

¹Dr Martin Parkinson PSM, Secretary to the Treasury (2014). *Fiscal sustainability & living standards - the decade ahead*. The Sydney Institute. 02 April 2014

² Dr Martin Parkinson PSM, Secretary to the Treasury (2014). *Fiscal sustainability & living standards - the decade ahead*. The Sydney Institute. 02 April 2014

Employers expect better outcomes and continually look for products tailored to their needs. Knowledge-based industries continue to grow which is placing greater emphasis on the importance of higher education and the acquisition of higher level skills.³

In the short term, Australian businesses must raise their productivity levels to survive tougher economic conditions. In the medium to long term, Australian businesses must adapt to demographic changes related to the ageing of the workforce and work to achieve higher levels of workforce participation. Investing adequately in the future skills of our workforce is central to achieving higher productivity and participation.

Vocational Education and Training Reform

The Chamber accepts the need to improve the national VET system. The proportion of employers satisfied with training as a way of meeting their skills needs has decreased in recent years. Between 2011 and 2013, the proportion of employers satisfied that vocational qualifications provide employees with the skills they require for the job decreased 6.3 percentage points to 78.3%.⁴

The reform process should be informed by industry with the objective of creating an industry demand driven VET system that more closely links skills attainment with industry need. An industry driven system should be implemented in practice not just rhetoric. Costs in delivery of VET qualifications should be reined in not through decisions based on trades and non-trades qualifications, but by:

- working with industry on identifying the qualifications, courses and providers that are delivering worthwhile, work focused, courses with strong employment outcomes.
- adopting the Australian Chamber of Commerce and Industry's five point plan for achieving quality (see page 6) – by imposing a stronger quality regime, spend on poor quality courses will be reduced over time.

The Chamber supports a number of central principles that should be considered as part of any deliberations on the future direction VET system in Australia; and any proposals for reform of the sector. The principles are:

- an industry led demand driven system;
- a competitive and diverse training market;⁵
- universal access and additional support for disadvantaged groups;

³ Australian Workforce and Productivity Agency (2013). *Future focus: 2013 National Workforce Development Strategy*.

⁴ National Centre for Vocational Education Research (2013). *Employer's use & views of the training system 2013*. Department of Industry. Australian Government

⁵ The Chamber recognises the important role of TAFE in delivering quality training but also supports greater completion in the training market. The most recent NCVET *Employer's use & views of the VET system* report shows that higher proportions of employers using private training providers as their main provider were satisfied with aspects of the training compared with those using TAFE. Proportions were higher for the condition of equipment and facilities (at 96.7% and 90.7% respectively), the flexibility of the provider (at 91.9% and 80.0% respectively) and the relevance of the skills taught (at 91.3% and 80.4% respectively).

- simplified youth transitional pathways with stronger links between school based VET and tertiary level training and work; and
- ensuring that education and training funding policy is developed in a holistic and strategic way that reflects the roles of each of the education sectors – early childhood, school, VET and higher education.

The Chamber believes that the purpose of future reforms to the Australian VET system should be to achieve increases in workforce productivity, achieve higher participation through greater skills development and meet wider economic development objectives. A strong and flexible VET system is critically important for the future of the Australian economy.

Improving the performance of youth in the labour market is a crucial challenge. First experiences in the labour market have a profound influence on later working life. Getting off to a good start facilitates integration, while a failure can be difficult to make up. Efforts will require co-coordinated policies to bring the education system closer to the labour market, to help disadvantaged young people find a job or participate in a training course, and facilitate the hiring of young people by businesses.⁶

For example, Australian Apprenticeships remain an important vehicle for youth engagement and boosting the skills levels of young people. They are one of the few predominantly demand driven training mechanisms in Australia that are directly linked to employment/industry outcomes. Future VET reform should strengthen and expand on opportunities for young people and employers to engage with the Australian Apprenticeships System.

In response to the challenges posed by high levels of youth unemployment, the Chamber recommends that any reform of the VET system, including Australian Apprenticeships, should also focus on arrangements to improve:

- school-to-work transitions
- mechanisms for linking schools to employers and to the community
- arrangements for regional co-ordination of education and training for young people
- support for those most at risk in the transition
- advice and guidance on education and career options
- funding across sectors
- monitoring of school-to-work outcomes; and
- processes to match young Australian Apprentices and employers.

The Chamber believes that on the job training is a critical aspect of the VET system. Arrangements for provision of on-the-job training should be made more flexible and responsive to the needs of individual employers. Industry has a role to play in ensuring that on-the-job training opportunities are provided. The Chamber does not support any movement towards greater institutional delivery of VET courses, especially Australian Apprenticeships.

⁶ OECD (2009). *Jobs for youth: Australia*

The best way to assist small businesses to develop workplace skills is to recognise employer training efforts and provide businesses with ongoing support to expand their skills base.

The Chamber has previously provided submissions outlining its position on VET reform in Australia, including its detailed 2010 submission to the then Skills Australia, *The Future of the VET System*.⁷

Governance and complexity of the system

Previous reports have shown the way the VET sector is currently financed, structured and organised is overly complex.⁸ Importantly, the roles of the Commonwealth, state and territory governments need clarification with further movements towards national consistency.

The Chamber supports policy that will ensure greater consistency of the VET system across Australia. This is consistent with previous harmonisation policies, such as the introduction of a national regulator for VET. Importantly, national employers do not need the complexity of navigating any state specific solutions that restrict work movement and flexibility.

The Chamber recommends that the Australian Government collaborate with state and territory governments to reduce complexity and duplication across national and state skill development programs and provide an independent, reliable and holistic point of reference across state and national boundaries, to enable employers to select the most appropriate workforce skill development programs in their state or territory.

Consistent with findings from VET stakeholder workshops in March 2014, the Chamber supports enhanced national consistency in training funding, policy, research and data, to avoid duplication and overlap in regulatory/contractual requirements, to make the system simpler for employers to navigate and to enhance the portability of skills across sectors and locations.

Governance structures should reflect a true industry-driven system. Streamlined governance arrangements should be introduced. The roles of the Australian Workforce and Productivity Agency, the National Skills Standards Council and Industry Skills Councils need a holistic solution that embeds a much stronger employer/business voice to ensure that the directions will lead to strong productivity and labour market outcomes.

Funding arrangements

The Chamber agrees that state funding models have added an extra layer of complexity to the system and the process for determining funding arrangements and their link to quality training outcomes for students and employers are not always clear.

The “national entitlement” was an aspiration which was worthy of initial support, but it was never properly costed, and as Victoria found out, was not affordable in an environment where providers

⁷ NSW Business Chamber (2010). *The Future of the VET System*. Submission to Skills Australia. 26 November 2010

⁸ Skills Australia (2011). *Skills for prosperity – a roadmap for vocational education and training*. Commonwealth of Australia 2011.

rather than industry drove the training delivered, and quality was not properly controlled. Initial experiences in Victoria have led to different approaches in other states, including NSW's Smart and Skilled reforms.

The national agreement obliged policies aimed at delivering on the "entitlement" but states had substantial scope to implement the entitlement their own way. This has resulted in different entitlement systems across state borders. Industry engaged, strong outcome focused VET qualifications in non-trades occupations had their training-per-hour funding substantially reduced alongside poor qualifications delivered by providers seeking profit over quality.

It is time for a new national partnership agreement that ensures more consistent industry responsive funding arrangements across states and territories and prevents state based divestment in VET. Any barriers to cross border access to entitlement funding and cross border provision of training should also be addressed.

The Chamber supports funding mechanisms that are responsive to industry needs. The introduction of the National Workforce Development Fund (NWDF), built on the lessons of the Enterprise Based Productivity Places Program, was welcomed by industry. The NWDF is more responsive to individual enterprise level needs than previous funding arrangements. The funding co-contribution element has been an effective means on ensuring industry investment; however the Chamber has some concerns about the co-contribution requirements for small and medium sized enterprises, particularly micro businesses. The requirement for SMEs to contribute 33% of funding has undermined access for smaller businesses. The Chamber recommends that the NWDF be retained, but with reduced co-contribution arrangements for SMEs.

Substantial increases to Australian Apprenticeship uptake have always had a strong correlation to financial support provided to employers. Appropriately targeted incentives are a key ingredient to success.

Quality and regulation

The need to address the quality of training and improve outcomes for students, industry and the economy has been identified for some time as a priority issue. The need to raise standards is also important for the public to receive a good return on investment of funding. The vision for quality in VET should be focused on an outcomes-approach, and an emphasis on the successful assessment of competency in the training system. The Chamber supports the Australian Chamber of Commerce and Industry's five point plan for quality training delivery.

Five point plan:

1. Incorporate into the training packages requirements that address delivery in line with the recommendations of the ISC quality project.
2. Update provider standards that are acceptable to industry by improving the emphasis on training and assessment, advertising practices, industry engagement and skills requirements for key personnel, but not by making changes which are deemed unnecessary such as the

proposed shift to licensed and accountable education officers. These standards should be seen as an interim step in the shift to a more outcomes focus, and a working group inclusive of industry should be formed to finalise the standards as soon as possible.

3. Implement a strategy that aims to broaden and deepen the industry engagement between training providers and industry.
4. Encourage all States and Territories to fully participate in the national vet regulation system.
5. Explore a continuous improvement approach to standards, including a reintroduction of ratings system inclusive of industry, where providers can move towards best practice, and can be rewarded by a shift to self-regulation.

The VET reform agenda should recognise the role that enterprise RTOs (ERTOs) play in the provision of workplace delivery of VET and investigate how ERTOS can be better supported to increase workplace delivery and increase the up-take of higher level qualifications. ERTOS are well placed to move towards a risk based regulatory system with opportunities for self-regulation.

The Chamber supported the establishment of a national VET regulator, the Australian Skills Quality Authority (ASQA). However, it has become apparent that ASQA has experienced challenges in ensuring quality standards of all providers. States have also moved to establish their own quality frameworks, reflecting a lack of confidence in the national regulator. This additional state based regulation defeats the purpose of a national regulator. ASQA should be sufficiently resourced by the Commonwealth, and supported by state training authorities, to deliver effective risk based regulation of the training market.

Australian Apprenticeships

Australian research shows that 92.3% of graduates who undertook their training as part of an apprenticeship or traineeship in a trade occupation course and 83.2% of those who undertook their training as part of an apprenticeship or traineeship in a non-trade occupation course were employed after training. This compares to 78.2% of graduates for all VET courses.⁹

Australian employers and small business in particular play an essential role in employing and training the majority of Australian Apprentices. Substantial public support is required to offset the significant costs of engaging a trade apprentice in order to invest in Australia's future economic and skills base. These payments will be recouped many times over in both improved productivity and taxes paid by gainfully employed tradespeople in the long term. The recent decision by the Fair Work Commission to raise wages for apprentices is a concern for industry. There is a significant risk that these wage hikes will reduce apprenticeship opportunities across the labour market.

In addition, the costs charged by states for training is having an impact – it is not just about incentives, although cuts in incentives are the most significant contributing factor for non-trades. Most importantly it is the total business case that the Chamber wishes to highlight, including wages,

⁹ National Centre for Vocational Education Research (2013). *Student outcomes 2013*. Department of Industry. Australian Government

supervisory and other employer costs, cost of training and incentives. For non-trades incentives matter, for trades, wages are one of most significant cost issues.

Most recent policy settings have ignored the important role of traineeships as a transition from school to work. There has been little government commentary on youth unemployment and the negative impact that the drop in traineeships is having. The Coalition expanded non-trade traineeships in the late 1990s to address these transition issues. The Australian Council for Social Services and others have strongly stressed that one of the most important opportunities that can be given to highly disadvantaged job seekers is one that combines structured learning with experience, ie. a traineeship. Somewhere, the policy was shifted by the previous Government but no one has declared it to the public.

The number of Australian Apprenticeship commencements in the 12 months ending 30 September 2013 was 255 900, a decrease of 26.6% from one year earlier. Of this: trades commencements increased by 1.9%, non-trades commencements decreased by 37.5%.¹⁰

Importantly, you cannot have a traineeship system just for disadvantaged jobseekers. You need to offer traineeships for all and extra incentives to give a leg up to those most disadvantaged.

The Australian Government needs to return to basics – in the vast majority of cases the most effective skills development occurs when structured learning is combined with work experience – this is why universities are moving to step up internships and Work Integrated Learning (WIL). The alternative to a traineeship is institutional based learning with internships or WIL built in. In this alternative, the student receives no income, and the WIL is usually more dislocating to the employer as it is temporary and often short term. Institutions often have difficulty finding work experience opportunities for their students.

The challenge for Government in reforming the Australian Apprenticeship system will be to develop effective strategies to address structural issues contributing to poor completion rates, as a percentage of commencements.

Since 1998, Australian Apprenticeships Centres (AACs) have demonstrated positive results for government, employers, apprentices and trainees. The Chamber believes that AACs are well placed to deliver improved completion rates and grow commencements.

For example, AACs currently have a contractual obligation to provide a level of follow-up support to apprentices and trainees throughout the training period. With augmentation, this process can easily be scaled to provide a greater level of pastoral care, mentoring support and, more importantly, assist with better recruitment and selection as this is a key factor in apprentice retention. Group Training Companies also have an important role to play.

AACs are not contracted to conduct apprentice and employer assessment and screening, provide job connecting services that match employers and apprentices or provide pre-apprenticeship

¹⁰ National Centre for Vocational Education Research (2014). *Apprentices & trainees – September Quarter 2013*. Australian vocational education & training statistics. Department of Industry. Australian Government

programs – each of which are key contributors to completion rates. AACs can provide a broad suite of pastoral care services if contracted to do so.

Evidence suggests that successful completion of the first six months of an apprenticeship correlates strongly with ultimate completion of the entire program. As such, the Chamber notes that the deferral of a greater percentage of employer incentives towards the end of the training period has had limited positive impact on completion. Additional funding and support services should be available in the first 12 months of an apprenticeship and the existing completion payments should remain in place.

The Chamber believes that reforms must take account of a number of already well-articulated and largely accepted requirements:

- Improved and increased targeting of incentives across all qualifications, but not at the expense of lower entry level qualifications
- Greater flexibility and mobility for general access to apprenticeships
- Improved consistency nationally across all jurisdictions within a common framework to maintain quality
- Improved pathways connecting school to industry competency progression
- Improved communication frameworks that directly engage employers in the VET system.
- Continue to invest and build on direct mentoring and advisory initiatives already in place at State and Commonwealth levels.
- Simplifying the system – wider responsibility – fewer players

International best practice

Erica Smith (University of Ballarat) and Roslin Brennan Kemmis (Charles Sturt University, Australia) recently undertook an international study identifying good practice in apprenticeship systems.¹¹ Key findings are summarised below. These findings should be considered by the VET Reform Taskforce.

National government structures

- National policy emphasis is both on training aspects and on employment aspects of apprenticeship;
- Good liaison between government agencies responsible for different aspects of the apprenticeship system;
- Where responsibilities lie with states and provinces as well as national governments, the relative responsibilities are well-defined and publicised;
- Rigorous qualifications that are regularly updated;
- Collection of appropriate data about apprenticeships;
- Systems make provision for apprenticeships in different geographical areas (e.g. rural as well as urban).

¹¹ Smith, E. and Kemmis, R.B. (2013) *Good practice principles in apprenticeship systems: An international study*. The Online Journal for Technical and Vocational Education and Training (TVET) in Asia. The project was commissioned by the International Labor Organization and the World Bank to contribute to Indian discussions about the reform of India's apprenticeship system.

Training providers

- Training providers that are subject to quality regimes including audits;
- Content of qualifications is viewable on the internet;
- Requirements for qualifications/training for teachers in training providers;
- Trade testing at the end of the apprenticeship that is managed externally to the enterprise and the training provider (e.g. national 'Red Seal' system in Canada and local examination board in Germany).

Employers

- A registration scheme for enterprises/employing organisations offering apprenticeships, with requisite criteria; proportionate criteria (i.e. less stringent) developed for small and medium enterprises, especially micro-businesses;
- Supervision ratios in companies, which are communicated and enforced as part of maintenance of registration;
- Requirements for qualifications/training for in-company trainers;
- On-the-job training subject to some form of overseeing;
- Continuing upskilling programs for company trainers and teachers;
- Involvement of employer associations or groups and employee associations or trade unions at national and local level in apprentice systems;
- Employers should be able to apply for registration as a training provider for off-the-job component of apprenticeships.

Financial incentives

The following principles for incentives to employers, training providers and individuals were suggested, derived from practices in model countries.

- Financial incentives for enterprises to participate, subject to monitoring of satisfactory performance including audits;
- Additional incentives for employers to employ disabled or disadvantaged people as apprentices;
- Public funding for training providers – wholly or partly funded for apprenticeship training - but could arguably be financed by student loans system;
- Discounted wages for apprentices;
- Payment of social contributions for apprentices by the State; and
- Financial incentives to apprentices to complete their contracts and to employers who continue to employ their apprentices on completion.

Good practice provisions for the apprentice and the employer

Provisions for the apprentice	Provisions for the employer
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<ul style="list-style-type: none"> • Assistance in meeting entry requirements and/or learning support once employed; • Employed status within an enterprise; • An increase in pay over the period of an apprenticeship and a higher rate of pay on completion; • A combination of on and off the job learning with around 20% of time at a training provider; • A chance to mix with apprentices from other enterprises; • Attainment of a recognised qualification; • A training plan within the company; • Opportunities to experience different workplaces if in a limited environment; • A 'case manager' to oversee progress in off and on the job training (e.g. 'pedagogical referent tutor' in France); • Opportunities to switch employers for good reason; • A chance to progress further to higher level employment or self-employment. 	<ul style="list-style-type: none"> • Provision to enterprises of suggested workplace curriculum; • Cohort management systems within or across enterprises; • Support for small and medium enterprises, through structured arrangements, by specified bodies; • Support for employers rather than punitive measures for non-compliance; • Easily-available information about the system for would-be apprentices and employers (e.g. Ellis chart in Canada); • Fall-back system for apprentices whose employer can no longer afford to employ them (e.g. Group Training Organisations in Australia or interim 'out of trade' arrangements).
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Simplification

Simplification is another important process for apprenticeship systems which is often allied to expansion because extremely complex systems cannot be scaled up. The country case studies illustrated the following processes which they had used, or which it was evident were needed, to simplify systems.

- Harmonisation across jurisdictions (states and provinces) to enhance mobility and improve understanding of systems.
- Consistency of contract periods (at least no more than two or three set lengths).
- Removal of parallel systems with the same country where feasible; or if not, clear communication processes.

In addition, the International Labour Organisation has identified that employers need:

- as little bureaucracy as is compatible with good administration;
- good information and ongoing support from a local organisation/college;

- the right set of incentives to balance costs and benefits;
- young, well-motivated applicants with a good level of general education.¹²

One of the principal reasons for relatively smooth school to work transitions in dual system countries, such as Germany, is the superior matching of training to labour market demand that results from apprenticeship training being contingent on the offer of a place from employers.

Funding for entry level qualifications

The Chamber is concerned about movements in recent years away from funding for lower level qualifications. Lower level qualifications such as Certificates I and II are essential in providing young people and disadvantaged individuals with a pathway into meaningful, highly valued work and are often the first step forward to higher qualifications.¹³ Lower level qualifications can provide valuable foundation skills for young people and disadvantaged learners.

While the Chamber recognises there is a need for a higher level of skills to respond to Australia's future workforce requirements, the drive for higher level qualifications needs to be tempered by ensuring that the importance and integrity of entry level qualifications is maintained and that there is a place for making the connection between skills experience gained in the workplace and workforce planning and development. It is also important that lower level qualifications are recognised as a gateway for young people and disadvantaged individuals to enter the training system, providing opportunities to work towards higher level qualifications.

Traineeship incentives for Certificate II courses were removed for all but the disadvantaged in 2011 supposedly in part because of NCVET statistics and advocacy that Cert I and II programs did not lead to positive outcomes. This removal of financial support threw the good out with the bad, and in part led to many providers and industry adjusting courses to the more "costly" certificate III programs regardless of whether that was the best vocational outcome.

With employers consistently informing government of concerns about low levels of language, literacy and numeracy among job seekers and existing workers, a more comprehensive provision of foundation skills in all VET delivery will have positive productivity outcomes. This also emphasises the importance of lower level VET courses that incorporate foundation skill components.

In addition, the Chamber believes there is a strong case for funding skill sets under certain conditions. If an existing employee has a qualification and there is a genuine industry need, additional skill sets should be funded.

National qualification targets have long been questioned by the Chamber as lacking validation or direct connection with labour market needs. They need to be validated or abandoned.

¹² International Labour Organisation (2012). *Overview of apprenticeship systems and issues – ILO contribution to the G20 Task Force on Employment*; International Labour Office, Skills and Employability Department - Geneva: ILO, 2012.

¹³ Oliver, D. (2012). *Lower-level qualifications as a stepping stone for young people*. National Centre for Vocational Education Research 2012.

VET in Schools

The Chamber has recently highlighted concerns about the delivery of VET in Schools in its recent pre-State election report, *Unfinished Business – Towards 2015 and beyond*.¹⁴

In 2012, the NSW Auditor General raised concerns about existing school arrangements and their capacity to meet the needs of students looking to undertake VET. The Auditor General identified that there is evidence the current system requiring students to remain at school until 17 years of age leads to a greater proportion of students who are disengaged.¹⁵ Although school retention and Year 12 completion rates are important, it's clear that more needs to be done to engage those students who are not focused on a university pathway.

Improvements however need to focus on more than simply student engagement. Policies that have emphasised engagement over vocational outcomes have led to industry concerns that the quality of VET delivered in schools is not to the standard required for employment.

The recent focus by the NSW Government on improvements to teacher quality arrangements and commitments by the Federal Government to reform VET in Schools are welcome but should be part of broader reform to improve student outcomes.

Recent research from the University of Melbourne has shown that VET in Schools is not sufficiently preparing Australian secondary school students for employment or further training.¹⁶

The Chamber's "*10 Big Ideas – Could do Better*" report, released in 2011, recommended a broad ranging review of post-Year 10 education and training in NSW.¹⁷ Many of the issues identified in the report remain unfinished business, including improving career information, advice and guidance; implementing minimum achievement standards for literacy and numeracy; and adjusting the balance between general education and VET.

It is critically important that students are provided with robust industry careers advice to ensure they are able to make informed decisions about training which will maximise their chances of securing meaningful employment. Secondary school students are provided with copious advice on university pathways relative to advice on vocational pathways, thus providing an unbalanced view of post-school opportunities.¹⁸

¹⁴ NSW Business Chamber (2014). *Unfinished Business – Towards 2015 and beyond*.

¹⁵ Audit Office of New South Wales (2012). *The impact of the raised school leaving age*. New South Wales Auditor-General's Report. Department of Education and Communities.

¹⁶ Clarke, K. (2013). *Strong on retention, weak on outcomes: the impact of vocational education and training in schools*. Discourse. 34:259-273.

¹⁷ NSW Business Chamber (2011). *Could do better – a blueprint for a review of post-Year 10 education and training in NSW*. 10 Big Ideas to Grow NSW.

¹⁸ Clarke, K. (2013) *Entry to vocations: the efficacy of VET in schools*. National Centre for Vocational Education Research.

The Chamber supports a system of accreditation introduced for school career advisers to improve the quality of advice given to students. These career advisers should have well developed links with industry and a comprehensive understanding of employer needs.

The Chamber strongly supports ACCI's call for greater government focus on youth transitions to work and further study, as identified in *Learning to Work – A helping hand for young Australians*. This report highlights the importance of industry career development, work ready graduates, apprenticeships and traineeships, employment services and workplace regulation as key elements of successful transitions to work.¹⁹ In addition, the Chamber calls on the Australian Government to support investment in effective youth transition programs. There are currently a number of early intervention youth support programs that should be funded in the Federal Budget 2014/15. Removal of funding in this area without adequate replacement programs is of great concern to industry.

If you have any questions in relation to the content of this submission, please contact Nick Minto, NSW Business Chamber's Senior Policy Adviser, Nick.Minto@nswbc.com.au, (02) 9458 7267.

¹⁹ Australian Chamber of Commerce and Industry (2014). *Learning to work – a helping hand for young Australians*.