



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

25 January 2019

The Hon. Steven Joyce
Department of the Prime Minister and Cabinet
1 National Circuit - Andrew Fisher Building
Canberra ACT 2600

By email:

Dear Mr Joyce

Terms of Reference – Expert review of Australia’s VET system

We welcome the review of Australia’s vocational and educational training (VET) system. Registered Training Organisations (RTO) fail to engage effectively with local employer communities, especially small business, to identify needs and contextualise delivery to suit local industry needs.

A key impact on the ability to meet small business needs are the rigid VET delivery structures which create a time lag between demand for particular skills and the availability of a skilled graduate. Funding models have become focused on the delivery of the entire qualification. Shifting employment characteristics and disruptive technologies require more flexible approaches.

We recommend the terms of reference encompass:

Term 2. Expand to consult with local area reference panels for small businesses to directly engage with RTOs to identify the specific skills and training required and options for flexible delivery to support business growth. This is especially important for those RTOs and employers in rural and remote areas as the availability of options is far more limited than those of their urban counterparts and can be less sophisticated in their operation.

Term 3. To also consider offsite and out of hours training solutions to increase opportunities for VET outcomes. Currently provision of training is constrained by rigid industrial agreements and the physical location of RTOs.

Term 4. The consideration for the need for flexibility of qualification structures be informed from engagement with the local area panels in *Term 2*. Small businesses need specialisation and rapid deployment. These could be achieved through flexibility in delivery options and recognition of elements of a full qualification.

Term 5. Be expanded to review the accessibility of information for small businesses. The vast amount of information results in time poor small businesses, without dedicated HR departments, struggling to find the best fit VET solution for their immediate needs.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6121 5312 or at jill.lawrence@asbfeo.gov.au.

Yours sincerely

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