

[breakthru]

Developing a Stronger Workforce Through VET: A Special Report for Businesses

To help businesses future-proof their organisation and upskill staff.

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Introduction

Modern businesses require a workforce that is both highly skilled and adaptable. Well-trained and educated employees help companies to expand their market share. The current volatility in community services, royal commissions into aged care and disability, and COVID-19 has resulted in many Australian businesses re-evaluating their strategy to maintain operational viability. Studies have illustrated that companies can grow their competitive advantage through workforce development via Vocational Education and Training (VET).

Vocational Education and Training (VET)

VET is a key system of post-school education in Australia. This type of education instructs students with practical and specific knowledge and skills to perform a precise role. VET provides a direct pathway into employment or into enhanced employment opportunities.¹ VET helps to ensure the stability of the Australian economy by effectively and efficiently instructing workers with the needed skills for employment.² This is because VET nurtures adaptable workers that can overcome emerging challenges from the rapid technological development and globalisation.³ Its work-based learning models will become increasingly important with the growth of technology-driven changes and processes. These flexible and applied ways of learning will assist people to build strong career foundations and, through their skills and knowledge, innovate new industries.⁴ VET is therefore key to the future of Australia and offers value to businesses.

Stronger Businesses

Financial benefits

Employers can receive significant financial benefits by educating and training their employees. This is because this type of investment increases the internal capacity of companies. Much of this education and training is based on VET models. For instance, according to a study of several Australian businesses, training quantity and quality were positively associated with profitability; a 10% increase in training resulted in a 1% increase in productivity growth.⁵ This is similarly highlighted by more research on Australian businesses. A research study determined that well-designed training programs provided substantial financial returns. The study concluded that the return on investment from training was at a minimum 30%. This illuminates that companies enjoy substantial benefits by training their employees.

Stronger staff

Employers may also receive non-financial benefits through providing their employees with VET.⁶ These benefits include:

- reduced labour turnover, absenteeism, redundancies and voluntary exits;
- developing employees who can progress into higher-level roles;
- producing fully-trained workers who are imbued in the businesses' values;
- developing a reputation as an employer of choice;
- strengthening an employee's commitment to the business;
- promoting employee initiative and capacity to work without supervision;
- increased customer satisfaction – more efficient staff serve customers more effectively; and,
- equipping employees with industry-relevant qualifications and knowledge regarding current and emerging technologies and best practices.⁷

These benefits can also generally improve the financial position of businesses by enhancing productivity.⁸ Integrating VET into the company therefore provides a competitive advantage.⁹

Future-proofing business

VET future-proofs businesses to respond to the changing demands of the workforce. The growing influence of technology is disrupting the Australian labour landscape by leading to a greater automation of roles. Consequently, unqualified and low-skill positions are predicted to have the highest probability of replacement by computerisation. However, there are many professions that are highly unlikely to be replaced by technology. These irreplaceable occupations require a high-level of human interaction, empathy and individuality.¹⁰

This is highlighted by the community services sector, which remains a fast-growing industry in Australia. One quarter of new jobs created annually are in this sector, which includes allied health, disability and aged care.¹¹ For instance, usage of allied health recently grew by 43%¹² in a decade and aged and disability support lately experienced a 17%¹³ increase in yearly job advertisements.

VET has responded to this opportunity by becoming the leading provider of skill-based education and training in industries related to the community services sector. Indeed, all the 10 industry subgroups with the largest projected employment gains by 2020 can be trained for via VET. The education and training provided by VET changes according to the needs of the future labour market. This flexibility enables VET to provide practical programs that teach real-life skills. Accordingly, a VET education provides first-hand experience and these insights enable employees to immediately contribute to the business.¹⁴

COVID-19: the new norm

COVID-19 has disrupted the Australian workforce and fundamentally altered its practices. This is because the challenges arising from COVID-19 and the ensuing financial volatility are unprecedented for many Australian businesses. However, many industries offer stability and security. The community services industry will likely emerge as more stable and secure both during and after the pandemic and its economic impacts subside. This is because the Australian governments provide the required funding and support. Due to the social contract between the governments and the community, these essential services are subsequently expected to continue unhindered.¹⁵

To accelerate the recovery of the national economy, the Australian Government has endorsed training products to increase competency in infection control for individuals working in sectors that are increasingly vulnerable to the pandemic.¹⁶ Indeed, healthcare and community service workers are most in need of high-quality and up-to-date training. Infection control training, which is provided by a Registered Training Organisation that delivers VET, is designed to help community service workers gain the knowledge and skills needed to effectively implement practical infection prevention and control policies and procedures.¹⁷ Providing workers with the training gives business both greater legitimacy and credibility because these measures demonstrate that its training is recent and fit-for-purpose. This will enhance community confidence in the company and lead to a stronger reputation.

Conclusion

A well-skilled and adaptable workforce is a key requirement for modern businesses. This assists businesses to grow and better compete in the market. A key mechanism for developing a stronger workforce is through VET. This is because VET continues to both build and skill Australia's future workforce needs and delivers current, comprehensive and adaptable curricula that is cognisant of industry innovations and market trends.¹⁸ VET is subsequently central to Australia's economic growth, business productivity and employment outcomes. A strong and prosperous economy that delivers the professions that Australia needs requires a well-functioning VET system.¹⁹ VET represents an opportunity for companies to educate their employees in highly valued technical skills and become more work-ready. This will help businesses to future-proof their organisation and flourish.²⁰

Recommendations

breakthru recommends that eligible Australian businesses:

1. Explore opportunities for apprenticeships and traineeships for new staff through state government funded programs in [New South Wales \(NSW\)](#) and [Queensland](#). Organisations will benefit by receiving subsidised wages and upskilled staff. This will allow the business to mentor and develop more loyal and motivated employees. breakthru Community College is an approved training provider for traineeships within the community service sector.
2. Benefit from free infection control training funded by the [NSW Government](#) in response to COVID-19. breakthru Community College can provide free training to eligible individuals who are working or looking for work within specific NSW regions.
3. Create a professional development plan with your employees to determine the needed skills and education for successful workplace performance and nurture their career progression within the business.

Acknowledgements

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