

Skills
Australia

Toni Rittie
Surveys Branch
NCVER
PO Box 8288
Station Arcade SA 5000

Dear Ms Rittie

Thank you for the opportunity to comment on NCVER's Review of the Survey of Employer Use and Views of the VET System (SEUV). Skills Australia uses the SEUV for a number of purposes and feels that it provides vital information on skills needs in the workforce.

Skills Australia's work program has evolved to focus increasingly on skills utilisation (that is, how people's abilities have been deployed, harnessed and developed), for which data from employer surveys are particularly useful.

While we understand that the length and complexity of the SEUV imposes a substantial burden on the survey respondent, Skills Australia does not agree with the removal of the data items flagged as 'low priority' by NCVER. We note that many of the survey items considered low priority in the discussion paper are those relating primarily to organisational needs, for example: "*Rating of current skill level of employees relative to the needs of the organisation*". While we understand that such data items may be less of a priority for training providers and other users, these types of survey questions are essential for Skills Australia's ongoing research role.

In the discussion paper, NCVER states that "little use has been made of the data to date" (page 8). However, this information has been used in a number of ways to develop indicators of skills shortages, skills matching, recruitment difficulties and other important areas. Indeed, a number of data items identified by NCVER as 'low priority' are actually among the most useful items for Skills Australia, in terms of capturing decision making by employers and wider implications for policy making. For example, the data item "*Rating of current skill level of employees...*" is referred to in a number of Skills Australia reports and reviews. It is also used in Kostas Mavromaras' work on skills mismatch and over-qualification and in Ian Watson's report 'Skills in Use'. Finally, it informs a Key Performance Measure used by the SA Training and Skills Commission.

Similarly, there are other data items classified as low priority which Skills Australia believes should be retained. These include "*Reasons for recruitment difficulties*" and data items relating to employer motivations around training, as this helps to inform about employer demand for training. Finally, while those data items relating to the ways training meets the skills needs of organisations may seem less immediately useful (e.g. "*Importance of apprenticeships/traineeships in meeting skills needs*"), these items are nevertheless helpful in determining which training avenues are the most important to employers.

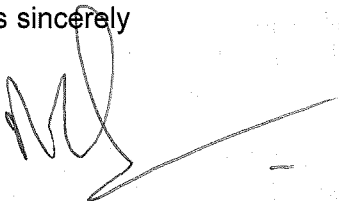
Skills Australia is concerned that the information flagged for removal from the 2013 SEUV is not able to be obtained from other surveys in Australia (e.g. HILDA, Australia at Work). Likewise, reducing the number of data items from the survey will act to limit the amount of information able to be accessed across the time series—particularly where the response rate may be low for a particular year.

The 2011 SEUV already seems to have removed a number of skills utilisation-type data items, reducing the richness of the data available from the Survey. These include *“what has organisation done to address [recruitment difficulties]”*; and *“reasons for choosing unaccredited training over nationally recognised training”*. As Skills Australia is conducting a number of research projects directly related to these areas (such as employers’ preference for skill sets over full qualifications), the loss of these data items from the 2011 SEUV is unfortunate.

The Skills Australia Board has cleared this response to your submission.

Please find attached Skills Australia’s response against the specific questions raised in the Feedback Form.

Yours sincerely

A handwritten signature in black ink, appearing to read 'RS', with a long horizontal line extending to the right.

Robin Shreeve
CEO
Skills Australia
22 April 2011

FEEDBACK FORM

Review of the Survey of Employer Use and Views of the VET System

Instructions

This feedback form accompanies the *Review of the Survey of Employer Use and Views of the VET System: discussion paper* <<http://www.ncver.edu.au/publications/2349.html>>.

This form is intended for feedback on the boxed questions in each section of the discussion paper. It is also the place to raise issues not covered in the paper. It is not necessary to respond to all the questions in this form – only those areas of interest to you and your organisation. Feel free to delete those not applicable.

Once completed, please save this form, with the name of your organisation and the date as part of the header, and email to toni.rittie@ncver.edu.au by close of business Friday 8 April 2011.

Contact details

We require a contact person for each submission to clarify any questions that may arise.

Name: Lindy Ingham
Position: Director (Ag), Labour Market Information Section
Organisation: Skills Australia
Address: GPO Box 9880 CANBERRA ACT 2601
Phone: (02) 6240 8060
Email: Lindy.Ingham@skillsaustralia.gov.au

Publication permission

Please note that all responses will be consolidated and made available on the NCVER website unless advised otherwise. Responses will only be identified by organisation. Do you give permission for this submission to be made publically available?

- Yes, including my organisation
- Yes, but not identifying my organisation
- No, this submission is not to be made publically available

Feedback relating to issues in the discussion paper

1. Purpose of the survey

- 1.1 From a policy perspective, interest will remain in collecting information on employers' engagement and satisfaction with the VET system. Are there any other areas of employer' interaction with the VET system that are of interest from a policy/research perspective?

Skills Australia strongly advocates the retention of data items relating to organisational needs and skills utilisation (e.g. information about organisational structure, training needs, employee skills levels, recruitment, reasons for using a particular training option etc.). We consider that these data items are important to give context to the rest of the survey – particularly in enabling users to gauge levels of satisfaction with the VET system when measured against the skills needs of the organisation. Skills Australia would have preferred that the data items removed from the 2011 SEUV had been retained, or re-introduced for the 2013 survey.

- 1.2 What information does your organisation need to better understand the relationship between employers and the VET system?

The survey needs to be able to capture detail on exactly how employers use the VET system (and why they favour particular training options) in order to give the satisfaction ratings any real meaning. By no longer capturing information on the industry sector and occupational breakdown of the organisation; how organisations have addressed recruitment difficulties; or why an organisation has used a particular type of training provider (for example), much of the usefulness of the SEUV has been lost for labour market researchers. In particular, the questions relating to whether nationally recognised training was for the full qualification or specific subjects/modules (and reasons why) would be very useful for Skills Australia's research into skill sets.

2. Data items currently collected in the survey

- 2.1 What information do you use from the survey (if any)?

As discussed in the covering letter, Skills Australia is interested in capturing as much information on organisational needs and skills utilisation as possible. This particularly relates to data items such as *"Rating of current skill level of employees relative to the needs of the organisation"*, which is used not only by Skills Australia but by other stakeholders whose work we reference (e.g. Kostas Mavromaras, Ian Watson, SA Training and Skills Commission). In our ongoing research into workforce development, we also use data items such as *"Reasons for recruitment difficulties"*; *"Whether jobs require full or part qualification"*; *"Reasons organisation has specific jobs that require vocational qualifications"*; *"Reasons organisation arranged for employees to undertake unaccredited training"*; *"Importance of employing people with vocational qualifications"*; *"Reason organisation has had apprentices/trainees"*; *"Importance of apprenticeships/traineeships in meeting skill needs"*; and *"Reasons organisation arranged for employees to undertake nationally recognised training"* – among many of the other items flagged as 'low' or 'medium' priority by NCVET.

2.2 Do you agree with the priorities we have assigned the current data items?

Skills Australia does not agree with the priorities assigned. We note that items of interest to training providers (e.g. level of satisfaction with training quality) have been flagged as 'high priority' while all of the items relating to organisational needs have been flagged as 'low priority'. Likewise, many of the data items flagged as 'medium priority' are also important to our research needs, including "*Reasons for dissatisfaction with nationally recognised training in meeting skill needs*".

2.3 Do you agree with the data items we have ranked as high priority and are proposing to retain?

Yes

2.4 Do you agree with the data items we have ranked as low priority and are proposing to remove? If not, have you used any of this information in the past? How do you propose using this information in the future if the questions are retained?

Skills Australia strongly disagrees with removing those data items ranked as 'low priority' by NCVET. While we understand that the survey is a lengthy one for respondents to complete – which may reduce the response rate and lead to high RSEs for some questions – we feel that this level of complexity is important if the survey is to have any real use for labour market researchers. Removing these survey questions may enable NCVET to survey a larger sample of organisations and produce more robust estimates, but much of the usefulness of the survey will have been lost. Satisfaction with VET (for individuals) is already adequately captured in the Student Outcomes Survey (SOS), whereas questions flagged as 'low priority' such as "*Reasons organisation arranged for employees to undertake accredited training*" are not currently captured by any other Australian survey.

2.5 Are there any data items we have ranked as medium priority that you believe should be removed from the survey?

No

2.6 Are there any data items you consider should be added to the survey? How would you use this information?

The current SEUV provides vital information on which training options are accessed by enterprises to train their staff. It would be extremely useful to capture what percentage of total training effort is in unaccredited training or in specific subjects/modules as compared to full qualifications. It would also be useful to be able to get an indication of whether the cost of training is borne primarily by the employer, by the employee, or by the government. This would enable us to get a better sense of who is bearing the cost of skills development in the workplace. Consequently, Skills Australia suggests adding supplementary questions to the training data items, which would put a dollar value on this expenditure. This data is not currently being collected in Australia.

Also it would be useful if the survey had a consistently used definition of "hard to fill" vacancies and asks employers to report quantum using such a concept. We realise that the survey does ask employers their reasons positions having "recruitment difficulties" but the employer is left to make that judgment rather than conforming to a strict definition. Also it is not possible to tell how many vacancies, for any given occupation, are hard to fill.

Submission by: [Skills Australia] Dated: [31 March 2011]

A clearly defined and quantified measure would indicate the incidence of persistent skill shortages (or not) and accordingly a measure of the degree of inflexibility in the labour market. Currently there is no other way of getting this data as it is not captured from the work done in DEEWR's Skill Shortage survey program either – they report that employers decide themselves what are hard to fill vacancies, and anecdotally they are probably overstating them.

3. Scope and methodology

3.1 Does the current scope satisfy your needs from a policy/research perspective?

Yes

3.2 Do you favour a mixed mode approach for the survey (both telephone and online)?

Yes – we consider that this may help overcome respondent burden in some instances

3.3 What levels of accuracy do you require from the survey?

For our research purposes, we would prefer to be able to access a full time series (i.e. across multiple years) in order to overcome any accuracy issues in a given year – rather than to lose the richness of data currently collected in the SEUV. We are less concerned with year-to-year change (e.g. the 'latest' satisfaction ratings) than having an adequate time series of surveys from which to draw.

3.4 Would you favour a shorter survey in exchange for more accurate estimates?

No – as this would reduce the usefulness of the survey for our purposes. While it may produce more robust indicators (e.g. satisfaction for training providers), it would significantly diminish the amount of information able to be captured on organisational needs.

4. Options for 2013 onwards

4.1 What are your views on having a core set of questions (as noted in table 2 of the paper) each year with the option for including a separate module on a topic of interest?

As outlined above, Skills Australia does not favour this approach, as it would result in a loss of important information and disrupt the time series. Currently, high standard errors for a particular year can be overcome by combining multiple survey years – thereby bolstering the pool of responses. This would not be possible if this proposed approach were adopted by NCVET.

4.2 Do you have any suggestions for issues that could be included in a question module approach, either past or present?

No – although please see response at item 2.6.

Additional feedback or issues:

Please list feedback on any other issues you would like covered in the review.

Note: For NCVET to make maximum use of this information, it is important to outline why this issue needs to be considered, what changes you would propose making and why and how it would benefit the survey.

