

Submission

To

Victorian Government

Inquiry into

Vocational Education and Training

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A SUBMISSION BY THE

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

TO THE

VICTORIAN GOVERNMENT

INQUIRY INTO

VOCATIONAL EDUCATION AND TRAINING

OCTOBER 2005

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Introduction

1. The Australian Education Union Victorian Branch (*AEUVB*) is a branch of the Australian Education Union, an organisation of employees registered pursuant to the Workplace Relations Act 1996 (Cth) (*the Act*). The AEUVB has over 30,000 members and represents teaching and allied staff in Victorian Government schools, teaching staff in TAFE institutes, Adult Multicultural Education Services, and Early Childhood Centres and education workers in the Disability Services sector.
2. Through this membership, in particular that in senior secondary schooling, TAFE, AMES and Disability, the AEUVB has direct experience of vocational education and training both in terms of its delivery by teaching staff and of its impacts upon students, the community and industry.
3. The AEUVB welcomes the opportunity to provide a submission to the Inquiry. The Submission follows each of the Terms of Reference and comments upon the Questions for Consideration or Discussion raised in the Discussion Papers.
4. The AEUVB notes that there have been a number of inquiries and research reports both into systems or aspects of Vocational Education and Training, including into Apprenticeships and Traineeships at a national and state level in recent years. Some inquiries have addressed the legislative framework for education and training, including vocational education.

5. Some of these inquiries or reports include:
- Vic Government Review of the Quality of Training in Victoria's Apprenticeship and Traineeship System (*The Schofield Review*), May 2000.
 - Victorian Learning and Employment Skills Commission Research Paper, *The Role of TAFE*, May 2002.
 - Senate Employment, Workplace Relations & Education References Committee Inquiry into *Current and Future Skills Needs*, February 2003.
 - NCVER, *Building Skills for the Future: Key Factors influencing Demand for Skills in Victoria*, November 2003.
 - Australian Government Department of Education, Science & Training, *Skills at Work – Evaluation of New Apprenticeships*, December 2004.
 - Queensland Govt Green Paper, *Skills for Jobs and Growth*, 2005.
 - Victorian Government Review of Education and Training Legislation, 2005.
 - NCVER, *Apprentice and Trainee Completion Rates*, 2005.
6. There is also the ongoing project within the Victorian Department of Premier and Cabinet, *Governments Working Together*, dealing with what is termed *A Third Wave of National Reform – A New National Reform Initiative for COAG*. Some of the papers and proposals developed by this project address the terms of reference for this inquiry.

7. Consequently there is an impressive literature consisting of research papers, submissions of interested parties and reports already in the public domain which address the Terms of Reference for this inquiry. The AEUVB recommends the Inquiry draw upon the recommendations and the implementation experience of these previous inquiries.

Term of Reference 1: Appropriateness of current apprenticeships and traineeships

“Consider the appropriateness of current apprenticeships and traineeships including an examination of the levels of regulation, wage structures and the opportunity to increase outcomes, eg, flexible entry and exit points.”

8. Research into trends in apprenticeships and traineeships reveal very complex patterns of behaviour. For example, older workers in fulltime work undertaking higher level qualifications under longer contracts of training appear to have higher completion rates than younger workers in part-time work undertaking lower level qualifications over comparatively shorter contracts of training¹. Further, many workers change their employer, their training arrangements and their occupation.
9. It would be a mistake in policy terms for Government to ‘pick the winners’ and only fund training for older workers in full-time employment and undertaking higher level qualification. A large proportion of the younger population would be

¹ Ball, K. and John, D., *Apprentice and Trainee Completion Rates*, NCVER, 2005, p29.

excluded from the labour market. Similarly, continuing to provide high priority funding to areas such as short duration contracts of training and lower level qualifications where the ‘return on investment’ appears to be diminishing is also a mistake in policy terms.

10. Consequently caution needs to be exercised in any review contemplating change to existing arrangements.

Questions for Consideration

1.1 Is the current apprenticeship model appropriate for older workers and for young people with more prior education and work experience?

11. Anecdotal evidence from the membership of the AEU indicates that while mature age workers are commonplace as students in TAFE Institutes, they do not figure predominantly in apprenticeship training. While the completion rate data suggests the apprenticeship and traineeship model may not even suit many young school leavers undertaking entry level training, detailed consideration needs to be given to recognising existing skills sets of older workers and their skills development requirements.
12. The question therefore is not so much as to whether the current model of apprenticeship is appropriate to older workers (or the more experienced and

educated younger worker) but one as to how best to encourage that cohort of workers to undertake further vocational education and training.

13. To the extent that there are barriers to entry by mature age or more experienced/educated in the current model they relate to paucity of wage structures, and inflexible work arrangements that do not take into account family or domestic arrangements of the worker.

1.2 How can the prior experience and existing skills of these workers best be recognised? What are the implications of such recognition for industrial arrangements?

14. The AEU supports the national training framework and the national qualifications framework which recognises and accredits national and portable qualifications. Better recognising prior experience and existing skills should not undermine these frameworks.
15. The current arrangements for the recognition of prior learning ['RPL'] or the recognition of current competence ['RCC'] can be costly and cumbersome from the point of view of someone considering whether to undertake the process. Candidates for RPL/RCC are required to enrol in a course, module or subject, pay a fee and submit copious documentation or complete a bulky self-evaluation or assessment form. The process undoubtedly acts as a disincentive.

16. The RPL or RCC process is administered by any person who is a registered assessor under the Australian Quality Training Framework ['AQTF'] for this purpose. While registration is intended to ensure assessors are appropriately trained for the task, there is little accountability thereafter for RPL assessors working in the private sector. This creates an obvious risk in terms of accountability and quality assurance.

17. The AEU recommends that RPL or RCC processes be amended to ensure that only the public TAFE provider be accredited to undertake the required assessment. The accountability requirements with which the public TAFE providers must comply minimise the risk referred to in paragraph 16 above. Appropriate funding needs to be provided to the public TAFE provider to ensure adequate trained personnel who are qualified in RPL assessment are available to meet the demand. The funding should also enable the public TAFE provider to provide sufficient time and other resources to actively encourage participation in the process.

18. Further, consideration needs to be given to enabling both employers and workers to recognise and accredit the increase in skills and competence. One possible mechanism could be the development of Workplace Learning Representatives. Similar in concept to OHS representatives, the role of such personnel would be to create and audit an inventory of employee skills and to promote and support skills

development at the workplace level. TAFE Institutes should have an auspicing role if this recommendation is adopted to ensure the credibility of system-wide standards.

19. The RPL/RCC process could be further amended to ensure appropriate recognition of the skills development of existing workers.

1.3 Is there a case for greater use of pre-apprenticeships and other training programs to ensure that people starting apprenticeships and traineeships bring more skills to their employment? How can pathways into apprenticeships and traineeships be improved?

20. Pre-apprenticeships and other training programs are often provided as a means for students to gain some exposure to work-related skills without being in employment per se. Consequently they serve worthwhile purposes. Such arrangements should receive formal recognition for apprenticeship and traineeship purposes and greater ‘case management’ mechanisms are required to ensure such arrangements are not being used as a means of ‘quasi-probation’ by employers and to further ensure that such programs actually lead into formal apprenticeships.
21. For young people undertaking pre-apprenticeships, the lack of an adequate wage (or even any wage) acts as a disincentive. The courses themselves aren’t properly funded.

22. To enhance the pathways into apprenticeships and traineeships, a revised and modified Apprenticeship Field Officer ['AFO'] system is required. In Victoria the existing complaints-based mechanism is woefully inadequate through systemic under resourcing to its existing task of dealing with issues raised directly with it by apprentices.

23. Not only should adequate resources be provided to drastically improve the ratio of AFOs to clients but the functions of the AFO should be enhanced to increase liaison with schools career counselling and welfare services, employment agencies and apprenticeship brokerage centres. Enhancing the visibility of AFOs through location in community facilities such as TAFE institutes would be advantageous in improving outcomes.

1.4 What industrial arrangements currently apply to older apprentices and trainees? Is the current system flexible enough to develop appropriate arrangements? What protections should be preserved in any new arrangements?

24. This consideration raises the issue of what might be termed a new adult apprenticeship system. As the Discussion Paper (p6) on this Term of Reference notes Adults (and those younger people who have completed a pre-apprenticeship, a VET in schools program or have considerable work experience) usually have greater life experiences, higher productivity, more financial

- responsibilities and different learning styles to those who are just entering the workforce.
25. An assumption then appears to be made that the existing apprenticeship system, structured to cater for the entry level training requirements of younger or new employees, needs to be modified to cater for this older cohort of clients.
 26. The data appear not to support this assumption. Figure 2 from the Discussion Paper provides data to show that the proportion of workers aged 25 years and over in apprenticeships and traineeships has increased over the period 1999-2004 (as did also the proportion of people 24 years of age and under).
 27. Such data suggests it is not the system or model of apprenticeship training that needs modification as both older and younger workers are accessing it in greater numbers than ever before.
 28. Rather, if the aim is to increase the numbers of older workers who either are in education and training or who are accredited to have recognised skills, then alternate mechanisms to the apprenticeship and traineeship system are required.
 29. The comments by the AEU in relation to the recognition of skills are relevant to this consideration.

30. Apprenticeship wages do act as a barrier to adults undertaking such training. The AEU would support appropriate rates of pay for adult apprentices so that existing workers are not financially disadvantaged and discouraged from participation.
31. The AEU would support the establishment of a range of services to support existing workers in linking to skilled vacancies, skills recognition and development programs.

1.5 Do employers, employees and training providers have sufficient incentives to complete contracts of training? How could greater incentives be created?

32. Incentives to complete contracts of training could be enhanced. A contract completion bonus could be payable to employees who complete the contract. A completion bonus payable to employers does not provide sufficient incentive for the worker to assure completion. Rather, an employment bonus payable to employers who maintain the employment of their employees once the contract of training is completed and the qualification obtained could be considered.
33. A qualifications allowance (or factor) could be provided to employees who not only complete the training contract but who complete qualifications evidencing higher levels of training.

1.6 Are regulatory arrangements keeping completion rates down? If so, what are they, and how could they be changed? What would be the risks of such changes?

34. The absence of appropriate regulation of private RTOs may indicate that training effort is being diverted to meet the needs of the business plans of the private RTOs rather than the skills requirements of workers, industry or government
35. Improved accountability and quality assurance initiatives not just ‘paper’ auditing processes could see improvements to completion rates. Improved public visibility of the regulator and enhanced inspectorial functions, as for example, is happening with *Worksafe Victoria* together with improved apprenticeship and traineeship support services such as the revised AFO system is recommended.
36. Where the term, ‘*regulatory requirements*’ refers to occupational licensing, the AEU views the existing mutual recognition and recognition of overseas qualification processes operating at a national level as appropriate mechanisms. The national training and qualifications frameworks militate against risk associated with ‘jurisdiction hopping’ to find the easiest/cheapest jurisdiction in which to obtain a license.
37. In the view of the AEU it is appropriate to maintain the licensing arrangements which require both completion of relevant qualifications and requisite employment or work experience.

1.7 Could the length of some apprenticeships be reduced, to improve completion rates and get skilled workers into the labour market earlier? Should any changes be linked to the need for apprentices and trainees to have done prior training in their field?

38. The AEU does not support any universal reduction in length of apprenticeship as a remedy to skill shortages. A ‘one size fits all’ approach is not used to determine existing variations in duration of apprenticeships as between the trades. Such an approach is not warranted in any decision to vary the length of apprenticeships.

39. Change to duration should be determined on an industry by industry basis and endorsed by the industry stakeholders. Where increased utilisation of pre-apprenticeship training is considered this should be subject to the same conditions together with the further requirement that the training be recognised and credited towards completion of the apprenticeship and qualification.

1.8 Are wage rates and other industrial arrangements a barrier to attracting the right people to apprenticeships and traineeships? Given that many employers pay over-award rates to apprentices and trainees, do governments need to take any further action?

40. Low wage rates act as a disincentive to undertake apprenticeships.
41. Wage rates for apprenticeships and traineeships are usually found in industrial awards and certified agreements. Where government is party to such instruments, it should consider entering dialogue with other respondents to address the issue of poor wage rates.
42. Establishment of apprentice/tradesperson ratios in tender specifications for government contracts would attract greater numbers into this area of training.

1.9 Should absolute priority now given to funding apprenticeship and traineeship training be retained? If not, which areas should be prioritised?

43. The AEU supports the funding priority afforded to apprenticeships. For reasons associated with access and equity, funding for traineeships in non-traditional areas should be continued.
44. However the role of government is not restricted to that of being a purchaser of training. Government has a broader social role of intervention to improve employment prospects, assure equity and enhance the prospect of industry success.
45. From this perspective, the enhancement of articulated pathways for younger people to enter and move within the labour market and increased provision for

older workers to have formal recognition of increased skills and for skills development would appear as equal priority areas for funding.

46. The AEU would support increased priority in funding terms being accorded to the provision by TAFE institutes of higher level training qualifications.

1.10 Are Commonwealth employer incentives distorting the training decisions of employers and therefore leading to the provision of training that should not be a priority? Should Victoria advocate changes to these incentives?

47. The proliferation of traineeships at entry level and the relative paucity of the completion rates strongly suggest poor targeting of the available resources. Whilst the availability of traineeships and high commencement rates may serve as a proxy measure for higher skill levels, the issue of skills shortages indicates the use of incentives needs realignment with government priorities.

48. The AEU does not support a bifurcation between Commonwealth and State government responsibilities in the national training system with the Commonwealth taking responsibility for apprentice and trainee training and the states taking responsibility for the broader or higher level education and training role.

49. The AEU would support Victorian initiatives which advocate the provision of Commonwealth incentives to employers in accordance with the state's priorities for vocational education and training effort. Subsidies should not be provided until such time as a formal training plan is signed and approved.

1.11 What should be the aims of a more targeted funding approach? Should funding be prioritised according to particular qualifications, qualification levels, client groups, identified skill shortages, or some combination of these? How can priorities be kept up-to-date?

50. Much work has been done within the Department of Education and Training's Office of Training and Tertiary Education and the Victorian Learning and Employment Skills Commission on establishing principles for allocating funding.²

51. The AEU is broadly supportive of the principles developed. Priorities can best be maintained and kept up-to-date by government continuing to fund and support the work in this area.

² See VLESC Report, *Vocational Education and Training Priorities in an Innovation Economy*, July 2003. Updated Industry Priority Reports & Study Area Reports for 2005 can be found at <http://www.otte.vic.gov.au/employers/index.htm>.

Term of Reference 2: Effectiveness of VET in Schools

“Consider the effectiveness of vocational education and training in schools (including VET in the VCE, School Based New Apprenticeships and the Victorian Certificate of Applied Learning) for individuals and industry, including an examination of recognition of student achievements, industry participation and perceptions and student outcomes.”

53. The AEU is generally supportive of VET in schools programs as a means of engaging students in ways of learning that are appropriate to their needs while at the same time providing a level of employment-related skills development they would not otherwise achieve, or at least, achieve within the same timeframe.
54. The AEU accepts, as the Discussion Paper points out, that industry, too, is generally supportive of VET in schools programs, having been involved in planning and development of many such programs. With schools, students, and industry supportive of the VET in schools programs, it is difficult to see whether the perception that school-based programs *per se* lack the validity or rigour as other forms of training itself is a valid criticism. If the perception does have validity, it must relate to *particular* school-based programs or *particular experience/s* of such programs.
55. In general terms, the following points can be briefly made:

- There may be a mis-match between the perception that VET in school programs lack validity and rigour and the reality. The same general criticism is often levelled at vocational education and training wherever provided. The fact of the perception suggests either a structural problem associated with considerations of the status of VET in schools generally or raises the issue of unrealistic expectations on the part of some people.
- Industry has signed off on VET courses which are the same, no matter which environment they are delivered in. If the perception has validity it must relate not to the program but some other variable, e.g., adequacy of infrastructure funding and professional development support for teachers of VET in schools programs. The perception might also reflect on the lack of commitment and support from those who hold it.
- Where schools are registered training organisations (RTOs), they comply with the same standards of the Australian Quality Training Framework that all RTOs do.
- Schools can act in conjunction with other providers, e.g. a TAFE Institute, for each to provide particular components of a student's course. Once again processes are agreed to ensure that the VET qualification is not compromised by a school's lack of rigour in delivering its components of the course.
- VET in schools programs are taught by fully qualified and registered teachers. The requirements for school teachers to be registered and to maintain registration status assures the community of the appropriate professional

standards of the teachers. This is clearly an advantage when dealing with students who may not have the maturity levels that other RTOs are accustomed to with their own students.

Questions for Consideration:

2.1 Are some VET in schools outcomes more important than others? If so, which are the more important, and what evidence supports this position?

56. VET in school programs aim to achieve two objectives that, while often linked, are not always necessarily so. These are the development of “employment based competencies” for future employment and increasing “retention” at schools in line with State Government policy. Whilst both can be shown to increase employment chances, a student may stay at school because of the VET course offered, even if that is not the preferred destination at the time. Indeed students of VET in school programs may not have any particular destination. There are a number of reasons students stay at school and purposes to their schooling. Preparation with skills required for employment is only one, and may not be the most important one. The connection with the school and its network of support systems can be a deciding factor in students completing the course and not being lost to education.

2.2 Should students have more opportunities, as part of VET in schools programs to do workplace learning in a real workplace? If so, what strategies need to be adopted to maximise the participation of students in workplace learning?

57. Employability skills may be enhanced by workplace learning in a real workplace. However there are issues associated with the breadth and depth of such skills. The AEU would not support an approach that saw VET in school programs narrowed to concentrate upon enterprise specific skills development or upon lower level VET qualification levels (Certificate Levels 1 and 2). The AEU would also be concerned should schools become seen by industry/employers as suppliers of already ‘fit-for-work’ labour.

58. There are also issues associated both with the provision and the appropriateness of much workplace learning. Students find it hard to get actual placements other than perhaps in the retail, hospitality and tourism sectors of industry. This suggests that industry and employers are unwilling to take on student placements. Students also often report that their workplace learning wasn’t all that worthwhile which suggests that industry and employers haven’t invested appropriate strategies to cope with regular placements of students in their workplaces.

59. Notwithstanding this, in order to maximise opportunities for student participation in workplace learning, the following strategies could be considered:

- Workplace learning could become a required part of all VET in school programs. This would require increase in the collaboration between schools, industry groups and local employers and necessitate greater commitment of funds to support the increase, including the development of industry specific work placement support material for all VET courses.
- Additional support to schools to help organise placements through the LLENs or other mechanisms.
- Promote to business the importance of supporting such placements through industry groups etc.

2.3 Which models for providing VET in schools programs, have proven to be most effective? Why?

60. For schools and their students the issue is not which model of VET in schools is most effective – for this simply begs the question, ‘Effective for what purpose?’ The issue is being appropriately resourced so that they can offer a range of models and so cater for the range of students’ needs.
61. The current models – VET in VCE programs, VCAL and SBNAs – would appear to be adequate and appropriate. The better question would appear to be – How can each model be improved or, more especially, what is particularly effective about any particular experience of the model?

62. Areas which the AEU considers enhance effectiveness include:

- Effective career counselling before course selection;
- Consistent and regular follow-up of students together with preparation and support, particularly for students doing SBNAs where the school is more at arm's length from the process of placement and the personal support structures offered by the school are therefore not always built into the process. Problems may not be known and therefore dealt with until they have progressed to the point where the placement is in jeopardy.
- The development of alliances with local TAFEs have allowed for models which expand on the choices available to students, particularly where there are high setup costs that may make it impractical for a school to offer the course e.g. Hospitality.
- LLEN involvement in developing/supporting/funding programs has shown the way in a number of innovative areas and partnerships with schools, TAFEs and employers.

2.4 How could the provision of VET in schools, including SBNAs, be improved?

- Improvement of links between industry groups and schools to improve offerings from industry.
- Widen student choices. It is difficult to counsel students about the value of programs where there is little availability of work placement or where there is parent scepticism about career opportunities. Both of these are industry issues which need addressing.

- Greater LLEN involvement in identifying regional skill shortages and developing programs like “Themed VCAL” with local employers and schools would lead to more targeted outcomes.

2.5 What are the features of effective partnerships between schools and external RTOs? How could the costs of these partnerships best be managed?

63. Mutual respect and close collaboration are crucial features. For example, a TAFE Institute and local secondary colleges can agree on a set day which allows for all students to attend, thereby creating sufficient combined numbers to enable courses to proceed.
64. Where a particular school has the resources, but not the teaching expertise, the willingness of TAFE to come to the school can be vital in the development of a VET program. This can be particularly relevant in areas where it is difficult for students to attend a TAFE because of geographical or transport issues. For example, in the Whittlesea township in north-east Melbourne, teachers from Kangan Batman TAFE travel to and teach from Whittlesea Secondary College’s buildings.

2.5 How could businesses from a broader range of industries be engaged in VET in schools programs?

65. Many local businesses are not large employers and therefore do not have the time/resources to engage directly with schools. Industry groups must play a much greater role in coordinating this engagement if businesses are to be more involved.
66. The LLENs could have a coordinating role here, which would be made easier and more effective with the development of local “Themed VCAL” approaches.

2.6 How could VET in schools programs, including SBNAs:

- **Better provide an expanded range of senior secondary options tailored to students’ individual interests and learning needs?**
 - **Better meet industry needs for vocational competencies which are valid in the workplace?**
66. Victoria consistently has had higher apparent retention rates to Yr 12 and full-time secondary school participation rates for 15-19 year olds than the Australian average and other states and territories except the ACT.³ Yet it also has consistently the lowest participation rate in VET in Schools. This last figure being offset somewhat by the fact that it now has the highest increase in the rate of participation in VET in schools as well as the highest percentage of enrolments in VET course at Certificate 3 level and above.⁴

³ M. Long, *Setting the Pace-A report on aspects of education, training and youth transition prepared for the Dusseldorp Skills Forum, the Education Foundation and the Business Council of Australia*, Dusseldorp Skills Forum, July 2005, Table 4, p17 & Table 5, p20.

⁴ Ibid, Table 7, p23.

67. Such figures are not a cause for complacency. The growth of VET in schools is a clear indication that a need existed that is now being addressed.
68. The issue to be addressed is how this can be built upon to incorporate more targeted industry involvement in the provision of work placement.
69. There is a clear role for Industry Groups and LLENs to play in dealing with regional skill shortages. The development of ‘Themed VCALs’, for example, offers further opportunities for local businesses and schools to develop more effective partnerships that produce desired outcomes for students and therefore also for businesses and the economy.

Term of Reference 3: VET Models and required resources

“Consider the training models and associated resources required to meet the needs of the full range of VET students, with a focus on new entrants, mature age workers and those people seeking to re-enter the workforce.”

70. Within the national training framework, there are a range of models or mechanisms through which vocational education and training is delivered. The mechanisms range from the training package system, state accredited courses where there are gaps or deficiencies in training packages, apprenticeships & traineeships, VET in Schools & School Based New Apprenticeships delivered

through a host of public and private providers who are required to be registered training organisations. The mechanisms are used to deliver a mix of both on-the-job and off-the-job training to an increasingly diverse range of employer clients and student cohorts from school leavers & entry level training to mature age learners, career changers and re-entrants to the workforce.

71. There is nothing particularly new in these characteristics. What is new is the rapidity of change in the economy, technological knowledge and the workforce demographics and the scale of the demand for flexibility being placed upon the training system.

Questions for Consideration:

3.1 Are current training models adequate to meet the needs of industry and individuals?

72. Given the description of the training models outlined above, it is the AEU view that these are, in concept and in practice, potentially sufficiently dynamic and flexible to be able to cater for a diverse range of interests and needs. Problems may and do arise from time to time about particular availability of and access to specific vocational education and training requirements but these have more to do with resourcing – for which see below – and with fine-tuning than the adequacy of the models themselves.

3.2 Are there aspects of these models that require further reform?

73. There are some aspects of the various models that can undoubtedly be improved. However, it is beyond the capacity of the AEU at this time to be able to comment appropriately on all of these. Some brief comments are:

Training Packages

While the competency-based approach is effective at the AQF Certificate 1-3 level, it is questionable at the AQF Certificate 4 level and above, especially at the AQF Level 5 and above. Teaching and learning structures based on courses, curriculum and a syllabus with graded assessment are better suited to these areas.

Assessment based purely on achievement of competence in the areas of higher cognitive and critical thinking skills is problematic and doesn't meet the needs of students and employers. It also acts as a barrier to articulation pathways to other education sectors which have not adopted the competency based approach and into which many of the VET system's student clients seek articulation.

Resourcing of Training Package implementation at the provider level is inadequate. AEU members at TAFE Institutes report unmanageable workloads associated with teaching material development and with teaching and learning strategies development with Training Packages.

VET in Schools

The adoption of these programs has had more to do with the need for a school to retain students and so maintain course viability. The type of programs also tends to reflect student interest and school-based or local resources, including the subject teaching offerings of school staff.

More focus is required on current and emerging skill needs of the economy and the provision by government of appropriately trained staff. It would seem peculiarly inappropriate that government priorities in VET see some TAFE Institutes shift their training profile yet surrounding schools continue to offer subjects/courses in the areas being vacated.

On-the-job training

There is little or no accountability or reporting on the provision and adequacy of on-the-job training. The introduction of Workplace Learning Representatives would provide one mechanism to address this. Where on-the-job training is part of a formal qualification, adequate, appropriate training plans should be approved prior to the provision of funding.

3.3 Are these models sufficiently accessible to all the system's individual and industry clients?

74. The capacity to access vocational education and training is reflective of many factors other than or in addition to models of training as such. In regional and rural Victoria, if the local TAFE Institute does not provide the particular course, it is small comfort to students or local business to be informed that a metropolitan Institute can meet their needs. The same can be said in the metropolitan area where rationalisation of courses to the effect that only some courses can be completed at particular campuses has meant that the system has determined to deny access to VET to some students/businesses.

3.4 Are there adequate resources available to support the current training models?

75. No. Training Package implementation, pre-apprenticeship training and VET in schools programs are all areas where currently there is woefully inadequate resource provision.
76. The current models of training are being undermined by a highly casualised TAFE teaching workforce. Research data suggests that the TAFE teaching workforce, in particular, is more highly casualised than both the workforce generally and other sectors of the education & training workforce.⁵
77. A casualised workforce means the worker is only available for a limited range of work duties. Casual teachers are usually not required, or paid, to attend or perform a range of functions, including professional development activity.

⁵ NCVER, *Profiling the National VET Workforce*, 2004, p6; also Table 4, p17.

Consequently, the training models will be increasingly unable to achieve their objectives if the teaching professionals are not available for the full range of teaching and learning requirements of students and the skills training requirements of business.

78. Adequate funding needs to be made available as a matter of urgency to reduce the levels of casualisation in the TAFE teaching workforce. The existing problem will become dramatically worse in the short-term as the ageing workforce increasingly leaves the labour market.

3.5 What changes are required to current training models and to training delivery to meet the needs of mature age workers?

79. As mentioned in the comments on Term of Reference 1 above, significant change is required so that the existing skills of the mature age worker are recognised.
80. More and better targeting of funding for recognition of prior learning programs is required. Such funding must be available to ensure that there is genuine encouragement given to workers to undertake RPL/RCC processes.
81. Incentives to employers who retain employees with higher skill levels are necessary. At present, it would seem there are too many employers who perceive the trainee as providing a cost advantage as against the higher skilled employee.

3.6 How can the achievement of units of competency best be recognised where the attainment of a whole AQF qualification is not the reason for enrolment?

82. The AEU supports the system of nationally recognised, portable qualifications. Where increased recognition and reward is provided for the achievement of units of competency rather than the attainment of a whole qualification, this may put at the risk the national system if introduced as a new and systemic feature. Skill sets of workers risk becoming outdated and labour mobility is reduced without portable qualifications. The viability of industries and businesses becomes vulnerable.
83. Appropriate collaboration between the industry partners is required.

3.7 What changes are required to recognition of prior learning processes to ensure that learners use them?

See comments above under Term of Reference 1.

3.8 How can teachers and trainers be recruited, trained and provided with professional development so as to best understand and meet the needs of mature age learners?

84. As the trade union with coverage of the workforce in the public VET and schools sectors, the AEU is uniquely placed to understand the professional development needs, both ‘pre-service’ and ‘in-service’ of teachers. However, it is staggering that authoritative data on the qualification background, status and professional development activity of TAFE teachers, let alone teachers and trainers within the private sector, is not routinely collected and analysed by the state training system and made publicly available.
85. The AEU would recommend that funding be provided to require training providers to report on the qualification background, status and professional development activity of their teacher (and trainer) employees.
86. The AEU also supports funding being provided to TAFE institutes to enable all teaching staff to upgrade their educational and training qualifications to a professional level.
87. Large scale projects at both national and state level are underway which address in part the professional development needs of the VET workforce.⁶ There must be a commitment to fund such projects on an ongoing basis so that professional development requirements of the teaching workforce can be met.

⁶ At the national level, there is the *Reframing the Future* project and at state level in Victoria, there is the recent establishment of the TAFE Development Centre and its program of professional development.

88. It is important under this heading to distinguish between professional development, ie, the development of the individual as a professional, and staff development generally, ie, the development of an individual as a member of a particular employer's staff. The former focuses upon the needs of the teacher professional, the latter upon the needs of the business of which the individual is a member of staff. Too much of what passes for professional development is in fact staff development and does not address the professional requirement of meeting the learning needs of students and training needs of business/industry clients.
89. The increased use of casual teaching staff also undermines professional development as structural barriers exist to prevent such employees from accessing professional development. VET institutions are reluctant to fund professional development of the casual workforce.

3.9 How can training programs be structured to provide the flexibility that people need?

3.10 How can training be delivered in ways that better acknowledge the diverse life skills and responsibilities of mature age learners?

3.11 How can access for mature age learners in rural and remote areas be improved?

90. The AEU will comment upon these three areas together.
91. The timing and location of course offerings by providers is critical to meeting client needs as is the ability to access appropriate leave arrangements with

employers. Reducing the availability of a course or module, or limiting the times and locations at which it is available will create barriers to entry. Being unable to take regular leave and so have to undertake further training in addition to existing work and family commitments will act as a barrier to entry.

92. For many, competence in Information and Communication Technologies, and increasingly, higher level skills in these ICTs, is required to access VET programs, including delivery options such as on-line learning. For many mature age workers and workers in regional and rural areas lack of such competence will act as a barrier to entry.

Term of Reference 4: the VET SYSTEM'S RESOURCING REQUIREMENTS

“Consider future resourcing requirements in the context of no growth funding from the Australian Government, a changing student profile and pressure to meet productivity and participation demands.”

Questions for Consideration:

4.1 How can we identify and respond to future industry training needs?

93. It is not the responsibility of government to be the sole ‘agent’ in identifying and responding to future industry needs. The needs of industry, including future needs, are best identified by the ‘industry’ itself. ‘Industry’ in the sense used here

refers to more than ownership in the proprietorial sense. It refers to all the stakeholders within an industry: employers, employees, the community and government.

94. Also, the ‘needs’ of industry are not the same as the ‘demands’ of industry.
95. Ultimately the adequacy of identification of any need will depend upon the adequacy of the information collected. Maintenance of a high level, adequately resourced, genuinely collaborative effort by multi-lateral, stakeholder bodies to identify and collect the type of information needed is required. As the Discussion Paper notes, existing information on industry needs is not uniform.
96. Further, it should be emphasised that Government has a responsibility to establish priorities and support training in accordance with these priorities. Such priorities may not reflect the demands of either employers or students.

4.2 Is the VET system equipped to meet the future growth in demand for training?

97. Given the projections in the Discussion Paper as to growth in training demand, given what the AEU considers to be existing chronic under-funding of the VET system, it is strongly arguable that the VET system is not equipped to meet the future growth in demand for training.

4.3 Should the costs of VET be shared between those who benefit (individuals, industry and the government)?

4.4 Are those who benefit currently contributing their fair share?

4.5 Should the information used to consider relative investment in VET be improved?

4.6 What mechanisms could be used to move some of the current investment in non-accredited training to accredited training? Is this a worthwhile objective?

98. As the Discussion Paper notes the data on the issue of investment in vocational education and training varies depending on the instrument or measurement tool used. The measures used for student investment do not deal with a range of expenditures required of students. The measures used for employer investment swing from over-estimation to under-estimation.

99. Greater certainty as to the actual contribution to cost by students, employers and government together with better understanding of the relative benefits obtained is required.

100. The difficulty in apportioning the costs of VET between those who benefit exists in striking the right balance or proportion. It also fails to acknowledge the extent to which VET is both a public or social 'good' as well as a 'private' good. Most of the discussion around cost share concentrates upon the latter consideration to the neglect of the former.

101. Anecdotal evidence from AEU members in TAFE suggests that increases in student fees and charges in recent years has resulted in some students being driven from the system and in turn this has threatened certain course offerings. Often it is the more disadvantaged students, eg, those with lower socio-economic status, those returning to work or entering the workforce for the first time, upon whom cost increases impact most.
102. The AEU would support moves to prioritise investment more to accredited training that meets the state's priorities and delivers real outcomes for the economy. Allocation of funding in accordance with the established priorities should occur. Provision of incentives for providing, or undertaking, and completing accredited training in accordance with state priorities.

4.7 Is the level of government funding for VET adequate? If not what level of government funding is required?

103. The level of government funding is inadequate. NCVER data show Victoria spends less public expenditure per publicly funded nominal hour of training than any other state and territory. In 2003, the last year for which NCVER figures are available, Victoria funded at approximately 85% of the Australian average,

although this is an increase from 75% in 1999.⁷ A minimum requirement should be to provide funding at least equivalent to the Australian average.

104. A priority for this funding is the provision of appropriate teacher numbers to ensure continued delivery of high quality training within the public provision of VET.

4.8 How can the efficiency of government investment be maximised without jeopardising flexibility, responsiveness and viability?

4.9 What resource models(s) should government use to fund training?

105. The AEU is not in a position in this submission to comment neither upon mechanisms for improving the efficiency of government investment nor upon the appropriate resource models for allocating government funding for training.

106. The AEU would welcome the opportunity to work with government in assessing requirements in this area.

4.10 Should government give greater consideration to individual and industry investment in VET when planning its own investment?

⁷ NCVER, *Annual National Report of the Australian Vocational Education & Training System*, ANTA, 2004, p39, Table 2.2. This data is broadly supported by the Productivity Commission, *Review of Government Service Provision*, January 2005, Supporting Table 4A.2 which shows Victoria spends less government recurrent funds per person aged 15-64 yrs than any other state or territory except Queensland.

107. While this might appear a prudent consideration, it would be unwise in policy terms to reduce government expenditure as productivity or efficiency incentive to increase individual or industry investment. Reduced government investment would put at risk the attainment of the state training system's priorities. As noted above, the data on measures of investment by individuals and employers is not uniform; reductions in government expenditure could very well see students and employers also reduce their expenditure, even vacate the area as the relative burden could become unbearable.

4.11 Should industry be encouraged to make a greater contribution to VET tuition costs?

4.12 If so, on what basis, to what levels and through what mechanism(s)?

108. Provision of rewards or imposition of penalties is the two classic mechanisms for obtaining desired behavioural outcomes. Untargeted monetary rewards for employers who increase training effort are not a recommended mechanism as it would risk diverting training effort to meet non-government priorities. Where priorities are established, penalties by way of a training levy could be imposed on employers within the priority area who fail to invest in training.

4.13 Are individuals currently contributing to their VET tuition costs in line with the benefits they receive? Should individual investment in VET be increased?

4.14 If yes, on what basis, at what levels and through what mechanism(s)?

109. As the Discussion Paper outlines, the current state of the data on individual investment in VET do not accurately record the levels of investment.
110. While continuing individual investment in VET is to be encouraged, increases in the relative level, as between the ‘investors’, are problematic. The prerequisite for entry level training and the requirement for skills development or re-training on an ongoing basis are fundamental to achieving a skilled workforce. Increases in student fees and charges create barriers to participation unless the increase can be passed to others who have a greater capacity to pay.

Term of Reference 5: VET’s role in overcoming skill shortages and increasing workforce participation and industry productivity.

“Consider the importance of vocational education and training in overcoming skill shortages, increasing workforce participation and increasing industry productivity.”

Questions for consideration:

- 5.1 What role does VET play in increasing labour force participation and productivity?**
- 5.2 What role does VET play in meeting industry’s need for skilled workers?**
- 5.3 What is the role of government in supporting industry-specific training?**
- 5.4 What is the role of industry in encouraging learning and skill development?**
- 5.5 How can the VET system focus delivery on areas of industry need, to avoid future skill shortages?**

Term of Reference 6: Improving access for the VET system’s clients to information about training providers.

“Consider strategies to improve access to information on training providers by the VET system’s clients”

Questions for consideration:

- 6.1 Is the information that is currently available to clients the information that they need, to make informed choices about VET?**
- 6.2 What additional information do clients need that could be collected and made publicly available?**
- 6.3 What information could providers make available to assist clients to make choices?**
- 6.4 What is required to make information about the system’s operations and products more understandable and less complex for clients?**

Due to the constraints associated with the deadline for submissions to the Inquiry, the AEU is not in a position to adequately comment upon the issues raised under Terms of Reference 5 and 6.

The AEU would welcome the opportunity to comment orally upon these issues and to elaborate on other issues raised in its submission at any further consultation on the Inquiry’s Terms of Reference.