

Response

# VOCATIONAL EDUCATION AND TRAINING INQUIRY

**Prepared By:  
Victorian TAFE Association**

**September 2005**

The Victorian TAFE Association (VTA) is pleased to be able to contribute this response to the matters raised in the Discussion Papers attached to the Terms of Reference for the 2005 Inquiry into Vocational Education and Training initiated by the Minister for Education and Training.

VTA members including regional TAFE institutes, metropolitan TAFE institutes and dual sector Universities have contributed to this response. The views expressed in the response do not reflect a consensus view of the membership but highlight the key themes and issues raised by individual TAFE providers.

On some points of discussion VTA members propose actions to improve VET in Victoria. These are listed throughout the document and are summarised below for your convenience.

***Proposed actions to affect improvements to VET in Victoria***

- Review minimum wage for apprentices.
- Government, industry and RTOs to collectively raise the recognition and status of apprenticeships.
- Expand the qualification base for apprenticeships
- Disregard age barriers to apprenticeships in terms of funding models.
- Review mechanisms to recognise completions so that they are more attuned to the achievement of vocational competencies.
- Rationalise regulatory frameworks.
- Eligibility for student concessions on public transport to be extended to apprentices/trainees.
- LLENs in conjunction with schools determine delivery of VET in Schools (VETis) in line with industry and community needs.
- Schools enter into annual agreements with the industry and the LLEN to develop and deliver VETis the local area.
- The VETis funding issue requires a policy solution addressing the inconsistency of the management of the current funding and pricing arrangements including a review of the proportion of costs born by the end user.
- Strengthen school clusters to maximise delivery of VETis.
- Structured workplace participation mandated and co-ordinated through the LLEN.
- Build VET research capabilities within TAFE institutes.
- Undertake a feasibility study for the introduction of a loan scheme for VET student fees.

While the VTA has chosen to respond to each of the Terms of Reference it is important to note that issues cannot be neatly compartmentalised. The VET system is a complex jigsaw – it is not possible to change a few pieces without looking at the inter-relationships of the parts.

David Williams  
Executive Director

September 2005



## **Term of Reference 1: Appropriateness of current apprenticeships and traineeships**

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

---

Several key themes emerged from the submissions to the VTA and are presented below for consideration.

### ***The value of pre-apprenticeship programs***

Pre-apprenticeships, VET in Schools (VETis) and Themed VCAL programs are all pathways currently available to those wishing to get a head start in an apprenticeship/traineeship. These pathways are much enhanced where structured work-placement exists. These programs provide participants with the opportunity to experience a vocation and ideally, receive advanced standing on commencement of an apprenticeship or traineeship. The VETis and pre-apprenticeship programs may not be to the liking of all participants and choosing not to proceed in a particular vocation is a valid choice. Benefits accrue to all stakeholders, including improved apprentice/trainee completion rates, when the applicant for an apprenticeship or traineeship makes an informed choice. Rather than commence an apprenticeship/traineeship without any prior experience and then drop out, it would be better for these students to experience some VET training from which to make future decisions. Given this, it would be of benefit if ultimately these vocational pathways are expanded, for example, to include Electrical and Plumbing occupations.

Several anecdotal examples have been provided where employers use pre-apprenticeship programs as a source of employees. Central Gippsland Institute of TAFE provides an example where recruitment material from a major motor vehicle manufacturer specifies the successful completion of a pre-apprenticeship as a prerequisite to an apprenticeship with this company. Employers interviewed as part of Chisholm Institute’s stakeholder consultation program acknowledged ‘that pre-apprenticeship programs are a useful pathway for school leavers to confirm their employment direction and to obtain useful OH&S skills.’ A teacher from Wodonga Institute of TAFE said ‘Of those in pre-apprenticeship courses, who identify that they genuinely want an apprenticeship, the success rate is very high.’ These examples validate the worth of such programs. With current skill shortages pre-apprenticeship programs are a catalyst to employment and further VET.

In order to make apprenticeships/traineeships attractive, the current approach to formal recognition of pre-apprenticeships, VET in Schools and Themed VCAL appears to be headed in the right direction. All stakeholders benefit when there is recognized credit for completion of such programs and the apprentice/trainee is able to gain advanced standing into the apprenticeship/traineeship. The opportunity to be qualified more quickly and thus earn higher incomes acts as an incentive to commence and/or complete an apprenticeship. The lack of work experience in pre-apprenticeship programs needs to be balanced against on-the-job skills consolidation in the apprenticeship.

### ***Skills shortages and varying the length of apprenticeships***

Is there a shortage of labour or a shortage of skills? If the shortage is actually of skills, then the current priority given to funding apprenticeships and traineeships will partially address some of the skills shortages in the short to medium term. (Central Gippsland Institute of TAFE)

The Discussion Paper raises the possibility of shortening the length of apprenticeships and traineeships. Reducing the time of apprenticeships will increase the number of tradespersons but will not necessarily increase the skills. It may mean more tradespersons with lower level skills. Currently the demand, across all trade areas is not just for an increased number of workers but also for higher skill levels. Chisholm Institute comments that 'in the manufacturing sector, Australia's competitiveness rests in engagement in higher level technology and the integration of disciplines. Higher levels of skill are required to install, commission and maintain new technologies introduced into manufacturing processes. A typical example is in the assembly of new cars where integrated technologies of robotics, mechatronics and data control are standard features. There must be a balance in maintaining professionalism and rigour to the 'body of knowledge' and skills attached to an established 'trade' whilst at the same time recognizing that technology, manufacturing and way we work have changed considerably.'

TAFE institutes are open to the idea of reviewing the mechanisms to recognise completion of an apprenticeship/traineeship. It should not be assumed though that all or even the majority of learners have skills and knowledge to move more quickly through apprenticeships and traineeships. Wodonga Institute of TAFE currently provides 4<sup>th</sup> year block release training for building and construction students who are unable to complete this component in the traditional 3 year period because they were unable to cope with workload demands or the workplace was unable to facilitate release for off-the-job training. By shortening apprenticeship and traineeship periods, workers may have reduced theoretical skills and reduced skills at the applied level as practice time is reduced. Several TAFE providers agree that this action may give employers more cause to complain that apprentices do not develop workplace problem solving skills to the desired level. TAFE institutes urge any reforms in either the length of apprenticeships/traineeships or mechanisms to ascertain completions must include a period of skill consolidation in the workplace.

A body of opinion supports the extension of recognised qualifications for apprentices/trainees to include AQF IV and V qualifications as an incentive to encouraging the achievement of higher qualifications that will link to higher remuneration for the worker and economic gains for the employer and community. The University of Ballarat describes such an approach as skills for 'Master Craftsmen'.

### ***Rewarding Apprenticeship effort***

Remuneration rates for apprentices are too low (especially compared with casual employment rates), and place cost-of-living pressures on apprentices. School leavers will naturally look at all employment options and will necessarily balance the possible long term financial benefit as a tradesperson accompanied by short term straitened circumstances, with the immediate higher wages as an unskilled casual worker. This is a serious disincentive for the uptake of apprenticeships. One respondent to this paper suggests an option to attract, and more importantly to retain, new apprentices would be to structure wage increases on a six monthly rather than a yearly basis. A

further option would be for a government subsidy for apprentices that offers more than a toolbox.

Wage structures and living-away-from-home allowances, particularly for first and second year apprentices need to be reviewed. For apprentices in rural Victoria, the cost and difficulty of accessing a job and/or training can be a further disincentive for commencement/completion. The possibility of providing subsidies for private travel to training institutions should be explored.

Several TAFE institutes propose employer and apprentice financial incentives staged to reward progression and purposely skewed to provide the greater incentives upon completion of the apprenticeship/traineeship. Payments to New Apprenticeship Centres may also be linked to outcomes (completions) rather than linked to sign-ups of apprentices/trainees.

### ***Apprenticeship training models***

The VET Inquiry presents an opportunity to review training models for apprentices. To better accommodate the needs of employers an apprentice/trainee training model could involve a block of up-front training (full time and about 4 weeks) followed by reduced levels of off-the-job training and increased on-the-job training. Such a model provides intense off-the-job training up-front to enhance employability skills when the apprentice/trainee commences on-the-job activities. This model provides flexibility for both training providers and employers with apprentices/trainees entering the workplace with higher entry skills. This model may prove particularly attractive to employers in regional areas provided that support services (eg: apprentice accommodation) can be satisfied. The Inquiry also provides an opportunity to 'free Certificate III from the domain of the traditional apprenticeship model' (Victoria University). VU proposes developing Certificate III for full time exit VCE students and mature aged workers (including work placement components) and full time as VCE or VCAL programs with mandated work placement components.

### ***Mature age and experienced workers***

Traditional apprenticeships/traineeships may not be appropriate for older workers. New funding arrangements for training need to be developed which acknowledge the inherent skills of experienced mature age workers. Off-the-job training requirements would be reduced where evidence exists of relevant current skills and/or prior learning.

Flexible entry could be expanded by reviewing and reducing the restrictions on the employment period prior to gaining an apprenticeship. Improved outcomes would be achieved by allowing current employees to convert to an apprenticeship with funded training and allowances for recognition of prior learning. Kangan Batman Institute of TAFE urges a review and restructure of employer incentives to encourage employer support for the uptake of apprentices and to encourage apprentices to complete their studies efficiently.

TAFE institutes support a review of the eligibility of existing workers to access government funded VET places to retrain or up-skill particularly in high priority training areas.

### ***The impact of regulatory arrangements***

In responding to this paper TAFE institutes are of a view that the current apprenticeship training processes are over regulated. Based on anecdotal information it appears that generally employers share this view. The regulatory frameworks need to be rationalized so that training assessment, trade sign off and license testing are integrated - not managed as separate events. Wodonga Institute of TAFE adds 'A common theme running through responses from industry bodies and our own anecdotal information from our industry partners is that regulation of apprenticeships and traineeships is an excessive impost on industry. There is strong criticism of the complexity of the system, particularly from national companies having to deal with various arrangements between states.'

#### ***Proposed Actions:***

- Review minimum wage for apprentices.
- Government, industry and RTOs to collectively raise the recognition and status of apprenticeships.
- Expand the qualification base for apprenticeships to include qualifications at AQF 4 and above.
- Disregard age barriers to apprenticeships in terms of funding models.
- Review mechanisms to recognise completions so that they are more attuned to the achievement of vocational competencies.
- Rationalise regulatory frameworks.
- Eligibility for student concessions on public transport to be extended to apprentices/trainees.

## **Term of Reference 2: Effectiveness of VET in schools**

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

---

Victorian TAFE institutes have been partners in VET in schools (VETis) programs since the inception of ‘taster’ programs, Dual Recognition arrangements, VET in VCE and more recently, VET in VCAL, SBNAs and Block Credit arrangements. Victorian TAFE providers have been able to offer secondary school students competency-based models of delivery and assessment in settings simulating industry standards of infrastructure and equipment.

The historic development of the current range of vocational education programs in schools has been somewhat ad hoc depending to a large extent on the entrepreneurial skills of individual teachers, schools and VET partners. Since the abolition of state Technical Schools, vocational education in schools has been accused of being an add-on to the existing post-compulsory years’ curriculum in schools.

The VET Inquiry provides an opportunity to reflect on the strengths of the current systems and processes to engage school students in vocational education programs and to identify systemic improvements to improve the effectiveness of vocational education in schools.

TAFE providers would like to offer the following insights based on their experiences as key partners in the delivery of VETis programs:

### ***Determining VETis Priorities***

The determination of VETis priorities in schools does not appear to be driven by local industry needs or linked to training priorities identified through research undertaken by the Office of Training and Tertiary Education. It would appear that the supply of VETis programs is driven by each school’s curriculum priorities, the particular staffing mix available in the school and delivery costs (internal income, the costs of purchasing equipment and/or refurbishing facilities, the costs of buying-in VET).

TAFE institutes suggest that VETis priorities should reflect state and national training priorities and be negotiated in conjunction with industry and the LLEN.

### ***Access to VETis programs***

VETis has experienced sustained growth in demand especially with the introduction of VCAL and Block Credit arrangements. While these new initiatives have provided scope for broader vocational education offerings, students’ choices may be limited due to organisational difficulties and funding arrangements.

Across the state examples are provided where schools choose the VETis offerings based on their particular staffing expertise and infrastructure because VETis is more cost efficient if delivered internally and timetabling problems do not arise. Anecdotal information from a metropolitan TAFE institute provided an instance where a student was refused permission to take up a VETis unit externally as this would be seen to disrupt the school timetabling and reduce the number of students in a particular

class. An example from a regional TAFE institute also highlights the issue of massaging VETis into schools' timetables. A cluster of schools collaborated to organise VETis on one day per week. This arrangement brought many synergies. In 2004 a VETis program in hairdressing was scheduled on the 'VET' day. In 2005 there was demand for three groups of students in this program. Only one qualified teacher could be found. As a consequence two groups occur on non-VET days – students have to juggle their attendance with their VCE classes. This is hardly ideal to ensure high level vocational and VCE outcomes. To suggest more staff can be found in a regional area is a simplistic approach to the problem. More flexible timetabling at the school level may facilitate more viable options for VETis students.

The responsibility for funding VETis programs currently rests with schools. Secondary schools differ in whether or not to pass on fees to parents and in the amounts the schools contribute to VET programs. In many instances VETis costs are passed on to the student (via the parent). The costs of the same VETis programs to parents can be significantly different between students and between schools. An inconsistent pricing arrangement creates confusion and adversely affects the public's image of VETis. TAFE Institutes believe it is time for a review of the funding arrangements to ensure adequate funding to the RTO providing the VET components. Direct funding to the RTO for these activities may be worthy of consideration.

VCE is seen to be driving the post-compulsory agenda to the detriment of VET studies. The VCAA VETis programs are seen to be restrictive in term of the packaging of VET that industry/students can choose because the VASS system will only accept the approved 1 – 4 sequence. Respect should be paid to the design of the programs to meet local needs and systems should enable choice rather than dictate the structure.

A lack of public transport at times needed to access VETis programs also presents barriers to students in regional Victoria.

In summary, the capacity of secondary schools to provide vocational education with the same value and emphasis as more academic and/or general education programs continues as a real challenge for schools.

### ***VETis Outcomes:***

The National Training Framework underpins vocational education in the State of Victoria. As such, the outcomes of vocational education should remain consistent irrespective of whether the RTO is a school, public TAFE provider or a private RTO. Of critical importance is the development of vocational competencies including technical skills and knowledge and generic employability skills. To achieve these vocational competencies it is imperative that the learning environments mirror those which would be found in the particular vocation – instructors/teachers with current industry skills/knowledge and infrastructure matching industry standards. Structured workplace learning especially in 'real' workplaces greatly enhances the development of vocational skills and knowledge. Ideally all VETis programs would be organised so that students attend industry-based settings for their structured learning. These experiences add realism and perspective to the students' views of industry and work and help develop employment pathways.

If schools insist on delivering vocational qualifications then industry-standard settings must be created. One regional TAFE institute noted 'a week of work-placement in a

restaurant kitchen in no way makes up for delivering Commercial Cookery in a Home Economics classroom. This has the potential to compromise the rigour of formal advanced standing/credit pathways into apprenticeships/traineeships.’ The lack of workplace experiences and opportunities to consolidate skills and knowledge devalue qualifications gained under VETis arrangements. With respect to SBNAs, the need for relevant industrial experiences must be noted. Although structured work placement is incorporated into the apprentice’s program, TAFE institutes are wary of the quality of apprenticeship outcomes where the apprentice only attends the workplace one day per week. The capacity for an employer to provide continuity and find meaningful work that develops the apprentice’s on-the-job skills can be difficult in only one day per week of work.

If VETis outcomes were defined more broadly, beyond specific vocational skills and knowledge, VETis could serve to provide generic employability skills, and a general vocational experience that enriches and broadens Years 11 and 12 studies. As many secondary students have not made firm vocational choices by the end of Year 10 or 11, such a program can give them experiences in a range of vocations. VETis may act as a ‘taster’ for different industry streams. For example, Building and Construction (Carpentry, Bricklaying, Cabinet Making, Electrical, Painting and Decorating) or Personal Services (Retail, Hospitality, Tourism, Business Administration). The skills would be mapped to vocational qualifications for credit transfer purposes. TAFE institutes can then provide the next level of training within specific Training Packages.

Clearly, employment as an outcome of VETis is highly valued. Kangan Batman Institute of TAFE notes the increases in SBNAs and decreases in VETis because the SBNA package includes VCE, VET training, links to industry and an employment outcome.

### ***Effective Partnerships***

TAFE institutes have established strong working partnerships with secondary schools. Formal agreements between schools and TAFE Institutes clearly articulate roles and responsibilities, resource requirements and outcomes. The use of common agreements for this purpose should be maintained.

Effective and ongoing communication including use of phone, email and face-to-face is vital for effective partnerships. Ideally schools need to be able to resource relationships especially with industry and through the LLEN. A dedicated school based person to be responsible for VET, VCAL, SBNAs would simplify processes. Currently each school may have 4-5 individual teachers responsible for aspects of VETis programs and the welfare of students involved in those programs. If the LLEN were to be charged with the responsibility of facilitating co-operation between VETis stakeholders, the streamlining and efficiencies in information gathering and dissemination would benefit all parties.

With SBNAs there are now so many players in the system that it is in danger of stagnating or breaking down regularly. A system that involves a SBNA, an employer, a NAC, Secondary College, RTO and usually the Apprenticeship Field Officer and SBNA Regional Co-ordinator is convoluted and needs streamlining. One respondent to this paper proposed that all co-ordination of the employment aspects of SBNAs in remote and rural areas be the responsibility of Group Training Companies. This shift in responsibility would assist with addressing skill needs in ‘thin’ employment markets

in remote and rural regions (limited work placements and less variety in on-the-job experiences) and improve planning of off-the-job training commencements by RTOs.

***Proposed Action:***

- LLENs in conjunction with schools determine delivery of VETis in line with industry and community needs.
- Schools enter into annual agreements with the industry and the LLEN to develop and deliver VETis the local area.
- The VETis funding issue requires a policy solution addressing the inconsistency of the management of the current funding and pricing arrangements including a review of the proportion of costs born by the end user.
- Strengthen school clusters to maximise delivery of VETis.
- Structured workplace participation mandated and co-ordinated through the LLEN.

### Term of Reference 3: Training Models and Associated Resources

“Consider 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.

---

The Discussion Paper: ‘VET models and required resources’ neatly summarises five important features of vocational education and training: Training Packages, RTOs, Apprenticeships and traineeships, VET in Schools and School-based New Apprenticeships. However, the Discussion Paper fails to convey any sense of the complexity of procedures and processes for implementation, monitoring and evaluation of these features. In fact the Discussion Paper led one TAFE institute to respond, *“the Victorian TAFE system with its inherent hierarchical bureaucracy, funding models, quality systems, audits, regulation, training framework and performance standards can appear to be at odds with user requirements of a more flexible training system.”*

#### **Training Models**

Current training models, including those highlighted in the Discussion Paper, are generally deemed adequate to meet the needs of industry and individuals. VET delivery models are evolving to assist clients to obtain access to VET at a time and place that suits their needs. The National Training Framework through the AQTF and Training Packages provides a degree of uniformity and consistency between RTOs to enable transportable national qualifications. Accreditation processes are designed to accommodate the customisation of Training Packages and qualifications can be accredited at the State level should Training Packages not provide necessary coverage of particular industry-specific needs. It should be noted though that the short timeframe for the review cycles of Training Packages has been credited with frustrating some industries and employers.

TAFE providers readily acknowledge that learners do not usually seek complete full qualifications and that learning occurs informally and formally. Current training models and methods of delivery are limited by the processes and procedures, largely external, imposed on the TAFE provider in designing the learning activities. There is a body of opinion that current training models could be reformed to be more enterprise focussed in order to ensure there is a real delivery of job outcomes for students and a pool of appropriate skilled labour in the timeframes required by employers.

Goulburn Ovens Institute of TAFE proposes a collaborative and integrated training model (Industry/RTO/Government) to achieve successful outcomes for all parties including:

- agreed graduate targets and timeframes by industry sector and demographic,
- statewide and local strategies/targets determined in consultation with state and local industry, government and RTO’s and
- implementation in collaboration with Industry Sector Education Steering Groups (ESG), supported by Regional Advisory Committees (RAC’s).

Another example would be an enterprise training model. Given an enterprise’s primary focus is about ‘performance improvement’ at an individual or organizational level, it is proposed that specific RTO’s when delivering training to enterprises, apply

an enterprise-centric and learner-centric model of delivery to ensure real 'performance improvement' is generated for the organization and individuals involved. This is in contrast to the generic use of a training package delivery with no specific alignment to the enterprise partner. Experiences at Goulburn Ovens Institute of TAFE indicate that a generic model of VET delivery in enterprises creates issues of poor productivity improvement, loss of commitment to training by the enterprise and high wastage.

Elements of an enterprise-centric and learner-centric model of delivery would include:

- Research of the industry and each individual enterprise.
- Establishment and maintenance of relationships with enterprise managers.
- Determination of each enterprise's needs and issues.
- Identification of individual's needs within each enterprise.
- Providing teaching and assessment in the workplace.
- Assistance to individual workers to obtain career relevant accredited qualifications.
- Promotion of training to all categories of individuals based on industry and enterprise workforce requirements.
- Greater alignment of VET strategic direction plans with regional and local enterprise workforce requirements.

A noticeable trend in the application of all VET models is the increasing expectation that VET will be tailored to the individual learner whether through individual training plans, individualised online learning or workplace based activities. Increasingly TAFE professionals are engaged with clients on a one-to-one basis rather than in groups in traditional classroom based delivery. These changes are resource intensive and historical practices for planning teachers'/instructors' activities need to be reviewed. The changing work practices of TAFE teachers need to be recognised.

### ***Recognition of Prior Learning (RPL) & Recognition of Current Competencies (RCC)***

RPL/RCC tends to be offered to students once an enrolment is confirmed. Ideally assessment of individuals' current competencies and prior learning should be integrated into the course information, selection and enrolment processes. RPL/RCC needs stronger promotion to both students and RTOs. There is insufficient understanding within the community generally of the flexibility of Training Packages. Consequently there is a need for ongoing training and resourcing of the VET sector to support awareness of the flexibility offered by Training Packages and RPL/RCC in particular.

It is beyond the means of TAFE institutes to provide a full RPL/RCC service to all potential students prior to enrolment. It has been suggested that Assessment Centres could serve this purpose. Once an individual has received an assessment and course guidance an application can be made to the relevant RTO.

RPL/RCC processes are frequently being criticised as being too document driven and shrouded in the jargon of the VET sector. Assessment Centres as suggested above may provide the link between industry, the general public and the VET providers. Dedicated Skills Assessors for all industries can undertake assessments efficiently.

From the perspective of the TAFE workforce, the re-entry of mature-aged workers into the VET sector has placed increased demand on RPL/RCC services. This shift in focus from delivery to assessment has been stressful for TAFE teachers (Chappell and Johnson 2003) requiring a significant shift in TAFE teachers' sense of professional identity. There is a professional development challenge for the sector as a whole to assist teachers to reposition themselves to the increasing client demand for RPL/RCC. Activities to influence cultural change and skilling TAFE staff to adopt new practices may form part of the activities of the TAFE Development Centre

### ***VET & Mature Age Workers***

TAFE Institutes would dispute the statement in the Discussion Paper that 'Adult and community education settings are usually better for mature-age learners' TAFE Institutes have a long history of successfully meeting the needs of mature age learners in VET as well as delivering ACFE programs. TAFE institutes are aware of the need to carefully consider the design of learning spaces for mature age learners and many TAFE institutes work in partnership with ACE providers to develop programs that meet the needs of mature age community members.

Training can be better delivered in ways that acknowledge the diverse life-skills and responsibilities of mature-aged learners and give consideration to the specific needs of these people. Many mature age people express a preference for socialised learning while others prefer a more solitary model. All VET to this cohort needs to be underpinned by high levels of communication including effective feedback.

It has been noted in responses to this paper that in regional Victoria many mature age learners are employed in small to medium sized enterprises and the businesses can face significant workforce disruption from the release of employees for training. More effective strategies need to be employed to avoid these disruptions.

#### **Term of Reference 4: Future 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 increasing productivity and participation demands.”

---

In a scenario of no growth funding from the Australian Government it seems inevitable that the apportionment of VET costs between the individual, industry and government needs to be reviewed. The debate about the nature and balance of this shift can only be entered into through greater knowledge of the needs of each beneficiary of vocational training and education and greater knowledge of their current contributions (both financial and in-kind). There has to be a research and data driven approach to better target the use of resources.

There is a significant role for the State in developing and providing research into local industry skill demands. Wodonga Institute of TAFE notes that the recent funding of OTTE Areas Studies has been a good attempt at balancing state based research with localised, industry specific data, though the funding made available for this research activity has been inadequate for any serious analysis of local industry needs. Further, a devolved system of research into local and regional industry needs requires an increased research skill base at the local level. If the State is to continue with research initiatives like the Area Studies, this needs to be adequately resourced not just for its direct costs but for indirect costs such as developing research capability and sharing of planning skills and knowledge across the sector. There is limited capacity for small regional TAFE institutes to develop skills in economic modelling and planning in the current funding environment.

Such research will be able to more accurately measure and monitor the changing student profile as well as demands for increased productivity and participation. In regional Victoria for TAFE institutes operating in thin markets the issues are exacerbated. Do TAFE institutes attempt to maintain the ‘All Things To All People’ model or adapt a model based on critical mass. The first scenario is likely to result in a thin spread of delivery across a broad range of program offerings reinforcing the perception that VET is readily accessible through TAFE for many industries types, diverse groups and from many locations. This approach it is felt, is likely to result in offerings skewed towards Certificate I, 2 AQF qualifications and reduces opportunities to develop critical mass and centres of specialisation. An alternative model would consolidate delivery into fewer program offerings and would create a critical mass necessary for providing higher AQF qualifications (Certificate 4, Diploma, Advanced Diploma, and Post-graduate) and centres of specialisation. While this model may provide a better return on investment in specialist personnel and infrastructure, access for community-based programs is likely to diminish. In regional Victoria a model striking a balance between the two may be optimal – creating a critical mass in selected areas for the establishment of centres of specialisation that reflect local industry demands and at the same time supporting the broader community by a significant, albeit constrained, range of course offerings.

Improved research data can also be used to plan for resource allocations for support services to learners, infrastructure and equipment purchases. The VET system may struggle to keep up with rapid changes in technology unless equipment (including new technologies enabled by ICT) and staff skills are appropriately maintained and refurbished.

### ***Cost sharing by beneficiaries of training***

Respondents to this paper commented that current VET pricing systems (either fully government subsidised or completely fee-for-service) for clients 'are clunky and unwieldy'. The current cost differences between a place in a government funded program and a place in a fully fee for service program is many thousands of dollars and not currently linked to any detailed, explicit or transparent analysis of capacity to pay. The current systems are seen to affect the determination of an appropriate level of fee for a broad range of individuals and to greatly diminish the capacity for TAFE institutes to change the community and industry perceptions that government subsidisation of VET is assured.

TAFE institutes are yet to be convinced that a method has been developed to accurately measure the public and private benefits of investments in VET. Leaving aside that debate, TAFE providers recognise that government, industry and individuals have a responsibility to contribute in some way to the costs of VET. Governments' investment in VET will yield returns in future years in the form of increased taxation revenue or a lesser reliance on the welfare system. Perhaps the greatest benefit accrues to governments and industry when individuals undertake an initial VET qualification? Where individuals seek to increase their skills beyond their initial qualification in a particular industry sector a contribution by the industry and/or individual is deemed to be fair and equitable.

The Discussion Paper refers to the considerable investment by industry in vocational education and training nationally. Significant marketing by the Victorian Government of the benefits of VET and a more flexible approach to funding VET that rewards productivity and effort are required for industry to accept an increasing share of the cost of VET.

The determination of where and how much the government should fund the VET sector may be best determined by a combination of enrolment based funding models (funding follows the student), research into industry skills needs (so that government funding is directed towards growing participation and productivity) and analyses of beneficiaries' capacities to pay. Complementing this approach will be thorough local industry research.

### ***Proposed Action:***

- Build VET research capabilities within TAFE institutes.
- Undertake a feasibility study for the introduction of a loan scheme for VET student fees.

## **Term of Reference 5: VET's role in overcoming skill shortages and increasing workforce participation and industry productivity**

“Consider the role of VET in overcoming skill shortages, increasing workforce participation and increasing industry productivity.”

---

Victorian TAFE institutes are playing a vital part in preparing people for the workforce; skilling workers for emerging industries, pre-employment training re-skilling and up-skilling. The role of VET is to provide the necessary skills and knowledge for individuals, industry and communities here and into the future. TAFE institutes stress that future resourcing decisions are based on sound national, state and, most importantly, local industry research. Both government and industry have a stake in getting the ‘right’ data from the research activities.

The role of Government in supporting industry-specific training should be to ensure that the training also includes underpinning generic/transportable skills which will assist with mobility between job roles/tasks.

### ***The role of VET in increasing workforce participation and productivity***

The role of VET in increasing workforce participation and productivity is articulated in the Ministerial Statement *Knowledge and Skills for the Innovation Economy (2002)*. Respondents to this paper have nominated the following features of a robust vocational education and training sector to increase workforce participation and productivity:

- Conducting VET programs that simulate the work environment.
- Building confidence and self esteem.
- Developing generic work related skills – broader employment options.
- Linking students to job access points.
- Increasing productivity by providing up-to-date industry linked skills.
- Providing enhanced skills through training of existing workers.
- Working closely with employers to align learning outcomes with enterprise needs.
- Engaging industry in the development and design of VET programs and services.
- Providing flexible entry and exit points.
- Working closely with regional partners.
- Providing pathways to and from other educational sectors.

Wodonga Institute of TAFE's partnership with Aware Industries to take a whole-of-industry approach to up-skilling workers outside the mainstream labour market could be cited as a best-practice example of responding to labour shortages through increasing participation. Government initiatives to increase workforce participation will also generate a flow-on effect as increasing numbers of individuals look to TAFE institutes for career planning and guidance services, case management, and transition programs. These demands pose significant challenges in a no-growth funding scenario and add a sense of urgency to resolving debates about *who* should pay for VET.

TAFE institutes can focus delivery on areas of industry need with a view to minimising future skill shortages. TAFE institutes can contribute by:

- Responding appropriately to agreed priority areas.
- Ensuring that opportunities are available for questioning and testing of priorities.
- Ensuring that facilities and resources used for training in skill shortage areas are relevant to industry standards and attractive and engaging to new entrants.
- Promoting and marketing the benefits of employment in skill shortage areas.
- Engaging in long term strategic planning.

### ***The role of government in supporting industry specific training***

It is governments' responsibility to:

- Ensure that funded training is available for areas of skills shortages.
- Ensure that Training Packages/course regulations are flexible enough to meet industry's training needs in a timely manner.
- Enable SMEs to participate in the identification of industry needs.
- Ensure that cross industry occupations e.g. administration officers, IT support staff, are considered in research to determine training priorities.
- Facilitate linkages between industry and education.
- Support VET research.
- Recognise and reward successful partnerships between VET providers and other stakeholders.

### ***The role of industry in encouraging learning and skill development***

Broadly speaking industry as a key beneficiary of VET effort should be engaged in:

- Partnering with government and VET providers.
- Creating a workplace environment that encourages and supports learning and skill development.
- Providing supportive induction and mentoring for new entrants, particularly for apprentices and trainees.
- Supporting practical placement.
- Promoting the value of training investment for industry, organisations and individuals.

To increase the capacities of Victoria's workforce into the future, recognition of a broader shared responsibility for, and the shared benefits of, resourcing VET is required. There is currently not a strong commitment to the value of a broad vocational education, and often VET is viewed as a cost for a short-term benefit for employers (narrow range skills needed for current work) which leads to narrow skills education.

Victoria would benefit from raising community and industry awareness of the future value of adding to the broad level of vocational skills in the state, not only in relation to the current 'skill shortages' but also to build capability for innovative value adding production and service provision. "It would be refreshing to see all players in the training system taking on the view that building skills is an investment, rather than cost." (Dual sector TAFE provider)



## **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.”

---

The information regarding VET currently available to clients has been criticised as being difficult to navigate, fragmented, riddled with jargon and largely supply driven rather than demand driven. Information lacks clarity and does not always consider the information needs of clients with disabilities and those from non-English speaking backgrounds.

### ***Information Dissemination***

Currently students have access to information from web-sites, annual course guides, short course guides and from career information services. Such competitive marketing can confuse rather than assist potential clients and perhaps a more centralised approach might streamline information dissemination. Respondents to this paper suggest that a two-pronged approach to information dissemination is preferred. On the one hand providers will develop materials including course information to market their programs to individuals and employers. On the other hand there is a need for a central information store that can provide systemic information to complement providers' individual materials. In both instances information about the VET sector must be consistent. The majority of clients consider VET from an employment perspective so information about industries, trends and employment opportunities is important to making VET choices. Clients need to know not just what training is available, but the jobs this training supports, and the health and viability of the industry that it leads to. A centralised database may be the repository for promoting the employment related benefits of VET including the employment outcomes related to different courses (current employment trends, future employment prospects and skill shortages).

Victorian TAFE institutes benefit from a high level of independence and autonomy. One of the disadvantages of this autonomy however is the inability to develop a whole state approach to marketing. A longer term, statewide advertising campaign should be initiated to effect change in the community mindset that VET is a 'second choice'. This campaign could include the development and dissemination of Career Maps for industries that outline career opportunities within industries together with remuneration and training requirements. Testimonials from workers of their career progression would further assist clients in making vocational choices.

### ***Reporting performance at the provider level***

The Discussion Paper suggests that reporting of the 'performance' of individual VET providers will allow clients to make more informed choices. While not wanting to discount this suggestion entirely, TAFE institutes caution that the provision of independent advice on the 'quality' of providers will be difficult 'without the development of more finely tuned measures of VET outcomes than are currently available.' For example an assessment of quality based on completion of qualifications or employment rates does not recognise the slow progress towards employment made by extremely disadvantaged learners. Providers that support large numbers of disadvantaged learners could be unfairly compared with those that attract learners with more chance of conventional success. NCVET student outcomes data

show considerable differences in course completions associated with age, gender and ethnicity. *Quality* itself is a subjective term. Independent advice on the quality of individual VET providers would require the development of a common understanding of quality in the VET context, shared by providers, government and the public. 'It is arguable that it would be better to resource more sophisticated marketing of VET generally than the provision of comparative and quite likely flawed advice.'