



Victorian TAFE
Association Inc
Reg. No. A37584B

The quality of vocational education
and training in Victoria

*A submission to the Senate Employment, Workplace Relations,
Small Business and Education Committee*

If you have any enquiries regarding this submission please contact:

Richard King, Executive Director

or Janelle Thomas, Policy and Project Coordinator

at the Association on (03) 9417 2677

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Preamble

This submission is made by the Victorian TAFE Association to the Senate Employment, Workplace Relations, Small Business and Education Committee, in response to the inquiry regarding the quality of vocational education and training in Australia. In particular, consideration will be given to the role of TAFE Institutes in developing the educational skills of the Australian people and their communities and the skills formation and productivity of the Australian workforce as a whole.

The Association is well placed to comment on these issues from the TAFE perspective. By way of introduction, this Association is the peak employer body for the TAFE industry in Victoria and we have as our members all of Victoria's TAFE Institutes and the four Multi-sector Universities. Our aim is to support and advocate for Victorian TAFE Institutes in their delivery of world class vocational education and training (VET).

We have represented Victorian TAFE Institutes in a number of inquiries and initiatives, at both State and Federal level. The Association's Executive Committee has undertaken considerable work in developing its own Vision for the Delivery of VET in Victoria, which includes consideration of the key objectives for the efficient and equitable delivery of vocational education and training, and a proposed model for the delivery of VET in Victoria.

Throughout all of these inquiries/reviews, the Association has stressed that the nature, needs and quality of the system must be the driving force for change, and not an arbitrarily decided factor which has been deemed necessary to meet the fiscal demands of government. We have consistently illustrated the unique and worthwhile role TAFE Institutes play in both the provision of VET in Victoria and in terms of community development. Indeed, we are proud to represent such an impressive body of Institutes.

This submission does not focus on the failings of the existing system. Rather, it aims to improve an already worthwhile system by providing guidance and advice. We see ourselves not as critics of reform, but as partners in reform, and the Association welcomes the opportunity to work with governments, both State and Federal, in pursuit of the continuous improvement of the public provision of VET in order to contribute to the "building of a learning society ... through increased attention to lifelong learning for all Victorians."¹

¹ The Hon. John Brumby, Minister for State and Regional Development. *Parliament of Victoria – Hansard* (11 Nov, 1999).

While in no way wishing to divert the reader from the substantial benefits to be derived from reading this paper in its entirety, the following is a summary of the key recommendations made and issues raised in this paper.

PART 1: An evaluation of the place of TAFE within the national priorities set for Australia's education system

- Victorian TAFE Institutes provide vocational education, adult and community education, second chance education and special needs education. They also provide a range of services including consultancy, research, analysis of business operations, knowledge management systems and cooperative ventures with enterprise.
- In a broader sense, Victorian TAFE Institutes provide quality life-long learning for all Victorians.
- Victorian TAFE Institutes take a pre-eminent social equity role by broadening access to education and training opportunities for the socially, economically and educationally disadvantaged thus improving their chances of realising equality of opportunity.
- It is the commitment to social equity principals and objectives which is the defining quality of TAFE Institutes.
- Unlike other sectors, Victorian TAFE Institutes' commitment to rural and regional Victoria is more than mere rhetoric and our Institutes are valued enormously in these areas.
- Rural and regional TAFE Institutes reduce the educational disadvantage faced by members of their community and thus they make a significant contribution to the social and economic health of the region.
- TAFE Institutes' contribution to the Australian and Victorian economies should not be underestimated. Our Institutes provide a responsive and quality training system which underpins the Australian economy and value adds to business through the successful training and skill enhancement of employees.
- TAFE Institutes contribute further to the economy via the export income generated from the training of international students both here and off-shore.
- The findings of the recent inquiry by the House of Representatives Standing Committee on Employment, Education and Training *Today's Training, Tomorrow's Skills* which received bi-partisan support, should be considered in this inquiry and acted upon.



PART 2: An evaluation of the performance of TAFE

- Methods used to assess VET delivery are often problematic as they are fiscally driven when, in fact, they should be based on educational accountability.
- Economic assessments of VET delivery place insufficient weight on the social, community and long-term economic benefits of the provision of courses which may be financially unprofitable in the short-term, but socially and educationally beneficial in the long term.
- Training should be viewed by both Industry and Government as a social and economic investment in the future rather than as a cost. Securing training at the cheapest rate possible in the short-term will not ensure Australia's successful future in the global marketplace.
- The mandatory application of fee concessions has impacted severely on the financial competitiveness of our Institutes and has seen them differentially funding the State and Federal Governments' social welfare policies.
- Discussions of the User Choice system have assumed too readily that TAFE Institutes do not or cannot compete with private providers. Both of these suggestions are incorrect. However, what should be rectified is the difference in accountability measures faced by public and private providers. In particular, private providers should have to cater to social equity responsibilities by delivering student services.
- Both State and Federal models of funding TAFE Institutes are in serious need of review.
- Victorian TAFE Institutes continue to deliver an extremely high level of quality training to Victorians and have maintained their excellent reputation in government, industry and student circles.
- However, if quality is viewed in terms of education provision including course and content development then the accumulated effects of the severe funding cuts Institutes have been subjected to, are beginning to effect the quality and range of education provision offered by them.
- These funding shortages must be rectified. The current Federal Government spends significantly less on education than most OECD countries and the current State Government must reassess its contribution if it is to demonstrate that it is seriously committed to a quality VET system in Victoria.



- The under-funding of TAFE is particularly disturbing given the link established by the OECD between education and training levels and the economic performance of nations.

PART 3: TAFE and schools

- The Association agrees in principal to an increase in the collaboration between TAFE and schools.
- The learning opportunities of Australian youth need to be as varied as possible, particularly if our disturbing high-school attrition rates are to be reversed.
- VET should be promoted as a viable and worthwhile alternative to university education for all students.
- The provision of VET by on site school teachers should be reconsidered given that secondary teachers are often not suited to such training and schools are under-resourced in capital areas.
- VET for school students at TAFE Institutes via programs such as the Pathways program should be encouraged as they have a very high follow-through rate and provide quality training and quality resources.
- HSC programs taught at TAFE Institutes offer those students who are not suited to the school environment (as opposed to the curriculum) the option of another environment in which to continue studying.
- The Vocational College model promoted by Holmseglen Institute offers secondary students both an alternative environment and curriculum and should be given serious consideration by Government.

PART 4: Apprenticeships/Traineeships

- Analysis in the area of Apprenticeships and Traineeships is too focussed on process oriented questions rather than questions which are related to outcomes.
- A major concern is the conflict of interest generated between RTOs that are also employers. For a number reasons, this leads to the situation where the breadth of training offered to the Trainee or Apprentice is narrow and, in turn, this results in the de-skilling of the Australian work-force.
- The conflicting short-term and long-term needs of “Industry” are apparent here in the sense that the short-term labour needs of a particular employer may not be consistent with the long-term needs of Industry for workers with broad-based skills.



- While we support Industry's call for on-the-job training, we suggest that this must be a balanced arrangement. That is, neither exclusively on-the-job or off-the-job training is adequate.
- There is concern that much on-the-job training is narrow in focus, is not monitored closely enough for quality of educational outcomes and does not achieve underpinning knowledge.
- There seems to be a further conflict of interest when Group Training Companies are also RTOs. We have heard of several instances in which – contrary to User Choice principals – Group Training Companies demand that their clients train with them.
- Private brokers are also of concern as they often prioritise economic considerations over educational ones and thus fail to undertake proper selection and recruitment procedures.
- While Industry seems to recognise the importance of Apprenticeships and Traineeships it is reluctant to employ them. This is, in part, the result of the perceived complexity of the system.
- Pre-apprenticeship training should be valued more highly with commensurate funding support as it produces people with a well-rounded and quality skill-base. This is beneficial to the Apprentice or Trainee as s/he is more employable and to the employer, as s/he can work for them immediately.
- The focus on and funding of Traineeships should be queried and consideration should be given to the suggestion that the money spent encouraging employers to take on Trainees would perhaps be better spent in other areas of VET provision.
- The reliance on the statistical evidence of those that enter the New Apprenticeship and Traineeships scheme as a measure of its success needs to be tempered by a closer examination of those who complete the scheme and their long term employment prospects.

PART 1:

An evaluation of the place of TAFE within the national priorities set for Australia's education system

a) The role of TAFE

Contrary to the perception that prevails in some sectors of the community, TAFE Institutes are not primarily centers for the acquisition of trade skills apprenticeships. While Apprenticeships and Traineeships are an extremely important part of an Institute's profile, it is necessary to acknowledge that they constitute approximately 17% of the total Student Contact Hours delivered by TAFE and that TAFE Institutes perform varied roles in the provision of VET in Victoria including, but not limited to: vocational education; adult and community education; second chance education; and, special needs education.²

Victorian TAFE Institutes also provide services other than pure training and education. These include consultancy services, research, analysis of business operations, knowledge management systems and cooperative ventures with enterprises. These services have significant economic benefits for Industry and the community in general.

Generally speaking, TAFE Institutes are committed to, and facilitate the provision of quality lifelong learning for all Victorians. Lifelong learning has long been recognised as essential to the economic and social wellbeing of any society.³ TAFE Institutes continue to provide increased opportunities for employment not only for first-time job seekers in terms of technically specific courses and job-seeking skills, but also for those citizens who want or need to re-skill in order to keep up with changing technologies - which are fast becoming an essential criteria of employment.⁴ Furthermore, given that Australia's work-force is rapidly evolving and that in recent years there has been a marked increase in job mobility, TAFE Institutes provide the opportunity to re-skill to those seeking promotion or changing occupation.⁵

b) TAFE's social equity role

Institutes of TAFE play special roles which other providers of further education generally do not fulfill. TAFE's primary role is the delivery of vocational education and training but it strives to meet this role while monitoring social equity objectives. It is this unique aspect of TAFE that is its defining quality.⁶

² For figures on Student Contact Hours, see Department of Education. *Annual Report 1998-99*. State Government of Victoria (January 2000) pp.50/51.

³ See, for example: Research Centre for Vocational Education and Training, UTS. *Pictures of the future: What is the future of VET? Summary papers from the National Issues Forum*. Sydney (21 June 1999) p.4.

⁴ Margaret Alston. "Education and Training in Regional Australia." *Regional Australia Summit Unit*. Centre for Research and Learning in Regional Australia, University of Tasmania (27-29 October 1999) p.5.

⁵ For figures on job mobility see "Labour Mobility." *Australia Now – A Statistical Profile* on the Australian Bureau of Statistics Web Page: <http://.statistics.gov.au/>.

⁶ The House of Representatives Standing Committee on Employment, Education and Training (herein referred to as The Committee). *Today's Training, Tomorrow's Skills*. The Parliament of the Commonwealth of Australia (July 1998) p.23.

One of the principal findings of a recent inquiry by the House of Representatives Standing Committee on Employment, Education and Training was that “TAFE fulfils an important social responsibility by broadening access to education and training opportunities for the socially, economically and educationally disadvantaged.”⁷ TAFE is very proud of its commitment to lifelong education for all Victorians and concurs with Chris Sidoti, Human Rights and Equal Opportunity Commissioner, that access to education is a fundamental human right which is the responsibility of Government.⁸ As the recent UNESCO report *Learning: the Treasure Within* suggests, access to learning throughout life is the “key for equality of opportunity.”⁹

To this end, TAFE Institutes are committed to maintaining the service provision for equity groups including students from non-English speaking backgrounds, students with disabilities, the aged and Indigenous students who have limited opportunities to access education thus diminishing their ability to fully contribute to the community. Indeed, students with disabilities constitute over six per cent of the TAFE student base¹⁰ and Indigenous Australians are represented in VET training in excess of their representation in the population at large¹¹ which is to be highly applauded given that having a post secondary qualification “increases employment prospects for Indigenous people by between 13 per cent and 23 per cent.”¹²

Recent studies suggest that the contribution of such members of society is vital to the social and economic prosperity of Australia. For example, “[e]merging evidence shows that active and learning older people not only contribute to society directly, but also contribute indirectly by easing the economic cost of health care and associated services such as home care.”¹³

⁷ Ibid., p.26.

⁸ Op.cit.. Margaret Alston, p.2.

⁹ Jacques Delors. *Learning: the Treasure Within: Report of the International Commission on Education for the Twenty First Century*. UNESCO, Paris (1996) p.3.

¹⁰ Approximately 75 000 (or 6.1%) TAFE graduates in 1997 identified themselves as having a disability. National Centre for Vocational Education Research. *Exhibit No.25*, p.49.

¹¹ See Australian Bureau of Statistics. *Education and Training in Australia*. (1998) p.54.

¹² Professor John W Chudleigh. “Education and Training in Regional Australia.” *Regional Australia Summit Unit*. Centre for Research and Learning in Regional Australia, University of Tasmania (27-29 October 1999) p.4.

¹³ Ian Falk & Sue Kilpatrick. “Re-focussing in Learning Regions: Education, training and lifelong learning for Australia’s well being.” *Regional Australia Summit Unit*. Centre for Research and Learning in Regional Australia, University of Tasmania (27-29 October 1999) p.8.



c) TAFE in regional areas

Healthy regions = Healthy nation.¹⁴

Regional development has become everybody's policy, but nobody's program.¹⁵

In accordance with the first statement above, and contrary to the second, the contribution that TAFE Institutes make to rural Australia cannot be overestimated. TAFE Institutes are often a “vital part of regional life, regional community, and certainly regional industry...In regional Australia our Institutes are looked upon with great pride and ownership.”¹⁶ Accordingly, TAFE Institutes in regional Australia contribute enormously to the social and economic growth of the region.

It is clear that there are major problems relating to access to quality education and training for regional Australians, particularly in isolated areas where many essential services such as schools and banks have closed in recent years.¹⁷ This has severe social and economic ramifications for rural areas including high general and youth unemployment and the “falling behind in their capacity to expand or attract business investment due to the restricted availability ... of skilled young people.”¹⁸

A strong regional Institute that has the capacity to offer a range of flexible and innovative training opportunities to its community has a significant effect on reducing the emigration of those seeking demographic stability of rural and remote regions and substantially reduces the financial and social burden on regional families who would otherwise be required to bear the cost of a metropolitan education.

Due to the critical importance of TAFE Institutes in rural Victoria, TAFE Institutes are best-placed to attract those people who are at risk of missing out on further education opportunities as a result of the most significant factors in creating educational disadvantage in Australia: a combination of rurality and low-socio-economic status.¹⁹ The Institutes' role in attracting such students is multi-faceted. As outlined above, the Institutes' reputation and geographical proximity are important factors in securing this cohort. The other reasons are perhaps best described as cultural.

¹⁴ Ibid., p.1.

¹⁵ Mark Latham. “Government is lacking education policy.” *Financial Review* (22 November 1999).

¹⁶ Mr Ralph Clarke, Council President, Wodonga Institute of TAFE. *Transcript of Evidence*, p.307-8 in: Op.cit., The Committee, p.23.

¹⁷ For further explanation see, Op.cit., Margaret Alston p.1 and Op.cit., Professor John W. Chudleigh p.3.

¹⁸ Ibid., Professor John W. Chudleigh, p.1.

¹⁹ Ibid., p.3.

Studies have shown that the likelihood of a young person deciding to pursue further education is influenced significantly by their parent's attitude to education.²⁰ Given TAFE's commitment to lifelong learning via providing second chance education and the popularity of TAFE and CAE courses among mature members of society, one could commonsensically concur that as more and more parents re-enter the education system, a significant improvement in their regard for further education will result over time.

The trickle down effect of this cultural shift in attitudes toward education should not be underestimated, particularly in regard to the benefits to self-esteem that result from further education. Changing attitudes toward education is extremely important to the general well-being of disadvantaged groups which, in this context, include groups from low socio-economic backgrounds, rural and regional groups and Indigenous Australians. These cohorts face significant cultural (as well as financial) barriers in accessing further education which are gradually broken down as more people – particularly older, respected people – in the cohort enter or re-enter the education system. The rising instance of Indigenous students accessing VET training is indicative of this powerful cultural shift.²¹

The chance to increase educational opportunities for disadvantaged groups (taking into account the connection between education and self-esteem) is vital in a country such as Australia which has a significant youth and general suicide problem, particularly in rural areas. Indeed, nationally Australia's suicide toll is one of the highest in the world and exceeds the annual road toll.²² As Senator Carr recently pointed out in Parliament in relation to the Australian Bureau of Statistics findings that ill-health has an effect on educational outcomes for Indigenous Australians, little study has been done on the reverse – that is, the effect of education attainment on Indigenous health.²³ As he goes on to suggest, if international studies are taken into consideration, the evidence does suggest that education has a positive effect on the physical and mental health (in regards to self-esteem) of socio-economically disadvantaged citizens and their children.²⁴

²⁰ See *Ibid.*, p.3.

²¹ National Centre for Vocational Education Research. *Indigenous students succeeding against the odds*. Media Release (17th November 1999).

²² See, *Table 9.3. International Comparison of Selected Causes of Death*, on the Australian Bureau of Statistics' Web Page: www.statistics.gov.au/.

²³ The Hon. Senator Kim Carr. *Federal Parliament of Australia – Hansard*. (22 Nov, 1999) P10257.

²⁴ Dr Bob Boughton, Co-operative Research Centre for Indigenous and Tropical Health at the Menzies School of Health and Research. Cited in *Ibid.*, p.10257.

On another cultural level, findings of recent studies that addressed the issue of educational institutions operating in regional areas found that single-sector universities, while keen to develop stronger relationships with regional communities, generally had little success in doing so.²⁵ This is perhaps the result of these institutions' reputation as "urban" institutions which can be alienating and intimidating. Central to the business of Regional TAFE Institutes and Multi-sector universities with TAFE components, is their integration into local communities and the strong alignment between economic and educational outcomes. Their flexible strategic planning models seek to link their operations with regional economic and community development goals and directions, ensuring that the Institutes remain focused on both a sustainable education sector and the continued social and economic health of the region.

d) TAFE's economic role

The contribution that TAFE makes to the economic prosperity of Australia guarantees a responsive and contemporary training system, equipping Australian industry with the skills needed to compete globally. According to a recently released Australian Industry Group report, the skills of the Australian workforce "has long been internationally recognised as one of its key competitive strengths and is identified as one of the main reasons to trigger new investment."²⁶ This skill level needs to be maintained and constantly improved for the benefit of the social and economic health of the country. TAFE Institutes play a significant role in this sense, providing quality life-long training to the Australian people in collaboration with Industry.

Furthermore, TAFE Institutes make a significant contribution to Australia's export income. National figures show that there were 40,978 international students at vocational education and training institutions in 1997, providing over \$790 million in export revenue. It is estimated that \$350 million of this is provided in fees directly to the institutions, with much of the remainder spent on the consumption of goods and services.²⁷ The statistics also show phenomenal growth in international student numbers, which increased by 105% between 1993 and 1997.

²⁵ See, Steve Garlick. *Creative Associations in Special Places: Enhancing the Partnership Role of Universities in Building Competitive Regional Economies*. Southern Cross Regional Research Institute, Southern Cross University, 98:4 (April 1998).

²⁶ Australian Industry Group. *Training to Compete: The Training Needs of Industry*. Prepared by the Allen Consulting Group (1999) p.i.

²⁷ National Centre for Vocational Education Research. *Overseas Students in Australia 1996/1997*.

Victorian estimates in 1997 looking at the total international student numbers show that in Victoria alone, more than 35,000 overseas students contribute over \$756 million annually to the State's economy.²⁸ Moreover, whereas Victoria TAFE Institutes are involved in training projects in more than thirty countries across the world, such as Thailand, the Philippines, Vietnam and China, these international student figures only include the revenue sourced from international students studying in Victoria, and not from the revenue activity generated off-shore.

It is clear from these figures that any Government policy which has the effect of diminishing the capacity of the TAFE sector to maintain this very important income stream is one which Governments should keep in mind when evaluating their funding choices. By failing to acknowledge the value of education to the nation and prioritising short term economic considerations, Governments are putting the economic, intellectual and social prosperity of our state and country at risk.

PART 2: An evaluation of the performance of TAFE

a) Method of assessment

The Victorian TAFE Association has serious concerns about purely fiscal methods of assessment which reduce VET delivery performance to cost rather than educational accountability. While it is a frequently reported fact that Victoria's TAFE Institutes are the most economically efficient in Australia²⁹, we also firmly believe that a purely economically rationalist approach to education is both inadequate and misleading. The Association believes that the quality of service provision and the maintenance of Access and Equity principals are vital in any assessment of VET provision, particularly VET provision which is publicly funded so as to be consistent with the social justice promises and responsibilities of State and Federal Government.

Des Fooks, Robin Ryan and Kaye Schofield³⁰ suggest that the "market approach" to education is potentially problematic as it involves:

- less access to training for disadvantaged groups (which is usually less economically efficient than training for other cohorts)
- the loss of support services and amenities
- diminished service to rural and remote regions
- potential loss of TAFE as a community asset

²⁸ The Hon. Phil Honeywood. *Ministerial Taskforce to Study Effects of Asian Currency Crisis on International Students in Victoria*. Media Release (October 1997).

²⁹ Ewin Hannan. "TAFEs in financial crisis." *The Age Newspaper* (15 November 1999).

³⁰ See, Des Fooks, Robin Ryan & Kaye Schofield. *Making TAFE competitive: creating an efficient and productive network of publicly funded providers that can compete effectively in the training market*. The Australian College of Education (1995).

These suggestions are supported by the aforementioned inquiry conducted by the House of Representatives Standing Committee on Employment, Education and Training. Of particular concern to the Committee was the plight of regional TAFE Institutes and henceforth, they recommended that “decisions on the allocation of funding to regional TAFE Institutes must take into account the higher cost of delivery in regional and remote areas...”.³¹ Highlighting the fact that fiscal assessment alone is inadequate, they point out that costs of course delivery in regional Institutes mean that they are often involved in *financially* unprofitable activities which have tangible *social* and *community* benefits which, incidentally, have long term economic benefits in any case.³²

A purely fiscal approach fails to take into account the economic pressure on TAFE Institutes which cater to high cost courses, such as engineering which, notwithstanding their costs, must be maintained. Indeed, as the Department of Education suggests in its *Annual Report 1998-99*, performance in the areas of science, engineering and technology “will be a major factor in determining our community’s future prosperity and quality of life.”³³ Thus training in these areas must not be compromised.

Some other relevant issues in relation to the economic performance of Victorian TAFE Institutes include:

Fee Concessions

A significant issue in relation to the economic performance of TAFE Institutes in Victoria, which, due to recent State Government initiatives has been partially ameliorated, is the issue of the impact of fee concessions.³⁴ In short, those TAFE Institutes with a high level of students eligible for a concession on their fees forgo a considerable amount of revenue which, in effect, disadvantages those Institutes which are arguably most in need of that revenue.³⁵ For example, according to our research, the Northern Melbourne Institute of TAFE, Victoria University and Swinburne University each forewent in excess of \$2 million income in 1998 due to fee concessions while overall, Victorian TAFE Institutes forewent almost \$18 million income in the same year.

³¹ Op.cit., The Committee, p.26.

³² See, Ibid., pp.23-25.

³³ Op.cit., Department of Education. *Annual Report 1998-99*.

³⁴ For more detailed information regarding this issue see the Victorian TAFE Association’s report on the matter – *The Impact of Fee Concessions in TAFE and a Proposal for their Reimbursement*. (1999).

³⁵ See, Op.cit., The Committee, p.xxv.

The impact of fee concessions results from both State and Federal Government concessional entitlements. In the latter case, eligibility for concession on the basis of Commonwealth Health Care Cards has a significant economic impact on Institutes. The Commonwealth in particular, continues to pin so many of its social and equity programs on the expectation that TAFE will continue in its pre-eminent role as the provider of value-added products and services to the community. Neither the State (until recently) nor Federal Governments recognise the shortfall in revenue generated by the mandatory application of these concessional arrangements, which leads to the dichotomy of Institutes being asked to be commercially competitive while simultaneously differentially funding the Government's social welfare policy.

Whereas there is a dearth of publicly available information regarding the equivalent impact on private TAFE providers, it would be reasonable to assume (for reasons of conventional economic wisdom) that the incidence of students eligible for concession fees who enroll with private providers, on a *per capita* basis, would not be as high as with public providers. It is the Association's position that both State and Federal Governments should take responsibility for their social initiatives and provide further funding to Institutes for TAFE students who are eligible for concessions. The potential fees income foregone through fee concessions represents an overbearing burden on TAFE Institutes already straining under other funding constraints.

The User Choice System

There has been considerable emphasis in recent times on the effect of the "User Choice" system which introduced significant levels of competition from private providers for VET funding in Victoria. While the Association believes that the maintenance of adequate public provision of VET through TAFE Institutes is essential to the health of every community, we also acknowledge that our Institutes are extremely competitive in the User Choice system. Contrary to suggestions that TAFE Institutes are unable or unwilling to compete with private providers, it is significant that "[n]ot one of the TAFE representatives who appeared before the Committee attempted to argue that TAFE should not have to compete against other providers."³⁶

³⁶ Ibid., p.18.

What *is* of concern to our Institutes is that private providers should have the same accountability requirements that TAFE Institutes are subjected to by Government. The ability of public TAFE providers to compete economically has often been restricted by adherence to higher employment standards than is the case with most private providers because of the differences in award conditions and other industrial relations arrangements. There is also the absence in many cases of the provision by private providers of a wide range of essential student services such as career and student counselling, childcare, student welfare services, library services and disability and Indigenous support teachers. Other factors such as the impact of fee concessions outlined above are also relevant.

Of particular concern to us is the second point mentioned above – the lack of a range of essential student services offered by many private providers. It is a commonly accepted belief that the private sector generally shows less dedication to community development principals than the public sector. It would seem that, based on anecdotal evidence, this suggestion rings true in the provision of VET where there is concern that private providers lack the commitment to community service provision that our Institutes pride themselves upon. The long term social justice and economic implications of this are enormous when, for example, Koorie Support Workers are not provided or Student Support Services are not deemed “economically efficient”. There are many reports that the learning resource centres of public TAFE providers also serve students of private providers. The maintenance of a quality publicly funded education system which is responsive to the entire community is to be applauded but it should not be seen as a resource to supplement, or underpin private sector profits.

Structural Agreements

Historically, Victoria’s TAFE Institutes delivered a quantum of educational through-puts measured as Student Contact Hours which attempted to provide a correlation between Student Contact Hour through-puts and funding input. They did this through two principal mechanisms. The Performance Agreement executed between the Institute and the Government and a “Contract for Services” won through an open tender process from a pool of contestable funds.

The former had a funding regime attached to it in which the Government set the price. This was normally associated with recurrent programs and referred to as profile funding. The latter was the result of an open tender process for Government programs in which the tender or contestable funds price was always lower than the profile funding. From a system position, this facilitated a lowering in the overall operational budget of TAFE Institutes.

In 2000 the composition of the profile changed such that the hours that were previously delivered under the tendered programs are now to be delivered within the base profile specified in the Performance Agreement.

The whole issue of funding arrangements for TAFE is a complex one and requires considerable examination. Of immediate concern is the impact of the Federal Government's prioritisation of Apprenticeships and Traineeships. As a result of Federally directed funding arrangements, TAFE Institutes are obliged to offer training to all Apprentices and Trainees who apply to train with them. If the number of Apprentices and Trainees who enroll in any one year exceeds the funding allocated for their training, no commensurate funding adjustment is made.

Therefore, the Institutes have two options, the first of which is to reduce Student Contact Hours in non-trade areas and transfer those hours into Apprenticeship programs. This situation is further compounded by the fact that Apprenticeship and Traineeship training is capital intensive and is thus far more expensive to deliver per Student Contact Hour than most other courses. It is one thing to transfer hours, but this does not mean that there is an equivalent transfer of funding because the price paid for one Student Contact Hour in Apprenticeship training does not equate to the price of one Student Contact Hour in non-trade courses.

Furthermore, if the Institute decides to reduce Student Contact Hours in non-trade courses to offset increased Apprentice and Trainee enrollment, they must do so on a compounded basis to compensate for the higher cost of Student Contact Hours they now must deliver. For the sake of illustration, the total purchase price of every Chainsaw/Forest Plant Apprentice was \$17.87 in 1999 compared with \$6.36 for Business Studies.³⁷ Therefore, to cross-subsidise a Chainsaw/Forest Apprenticeship, almost three hours of Business Studies would need to be sacrificed.

³⁷ Office of Training and Further Education. *1999 Purchasing Model: Purchase Price and Costing Codes*. Melbourne (December 1998).

This option is obviously undesirable for all concerned. It narrows the breadth of courses offered by TAFE Institutes which represents a decrease in service provision to the community and Industry. One example of the many problems caused by this narrowing is the reduction in the number of Student Contact Hours available for delivery in Diploma courses, one potential effect of which is to disrupt articulation to Higher Education. Surely this is in itself antithetical to the Federal Government's vision of Seamless Education?

The other alternative Institutes face in order to avoid under-delivery in non-Trade areas is to cross-subsidise the cost of delivering Diploma courses through increased commercial activities.

These significant policy shifts by the Federal Government in the area of Apprenticeships and Traineeships impose serious staffing and other resource ramifications upon our Institutes, as staff skills are generally not transferable between courses or within the time-frames of the Federal Government's objectives without necessary additional funding. The Government must take this into consideration when formulating training policy.

For its part, the current State Government in Victoria has begun a process of reviewing funding arrangements. The Association will be advocating that the outcomes of the Ministerial Review must restore the funds that have been systematically and continually eroded from our Institute's operating budgets.

Moreover, the continuation of funding on the basis of Student Contact Hours alone must be seriously reconsidered. The higher delivery costs of certain courses make a uniform funding rate per Student Contact Hour extremely problematic and, in effect, this encourages Institutes who are surviving in a competitive environment to focus their service delivery on low-cost courses regardless of the needs of Industry or the communities they serve.

In summary, it is clear that Government's funding policies and methods of performance assessment must take into account more than economic "efficiency". Victorian TAFE Institutes *are* extremely economically and educationally competitive and efficient. This "efficiency" drive has led to the inequitable situation where, while the number of VET students was double the number of Higher Education students in 1997, the amount public funding spent of VET was almost half of that spent on Higher Education.³⁸

³⁸ Australian Bureau of Statistics. *Education and Training in Australia*. (1998) pp.9 & 11.

If Australia is to have a secure future in the global marketplace, Governments must acknowledge and encourage Industry to view training as a sound investment in the future rather than as a cost. Considerations of the quality and accessibility of all types of training must be prioritised if lifelong learning for all is to be encouraged in order to secure this investment.

b) Quality of training

Victorian TAFE Institutes continue to enjoy an excellent reputation in government, industry and student circles - the high quality of training offered by TAFE Institutes in this state is well known. A survey conducted by the National Centre for Vocational Education Research (NCVER) in 1997 found that TAFE graduates were more frequently employed than Higher education graduates (69%) or school leavers (57%).³⁹ Furthermore, a 1999 *Student Outcomes Survey* released by NCVER found that TAFE training increases the chance of finding a job, advancing career and improving salary level. It reported that 87.7% of TAFE graduates were employed or in further study after their course and that 47.4% of TAFE graduates who were unemployed before their training found work after their training.⁴⁰

Indeed, a study which the Association (then the ATI) commissioned from the NCVER in 1997 which was based on extensive interviews with individuals from public and private VET providers, policy makers, unions and employer and industry groups, found that the main characteristics of VET provision through TAFE Institutes are:

- competitiveness
- flexibility
- standardised and thus portable qualifications
- capability to react to local needs
- capability to influence the workplace
- capability to be both applied and practical
- focussed on careers and vocation
- diversity
- part of government's access & equity policy

³⁹ Australian Bureau of Statistics. *Education and Training in Australia*. Canberra (2 February 1999) p.8.

⁴⁰ National Centre for Vocational Education Research. *1999 Student Outcomes Survey*.

The study found that while there is room for improvement in VET provision by TAFE Institutes in Victoria, that that provision is generally exemplary in terms of national and international quality standards.

However, it is the view of many Institutes that the impact of funding cuts to TAFE Institutes in recent years has compromised the quality of VET provision in Victoria. If employer satisfaction is a valid criteria of judgement then NCVET research supports this contention. The 1997 employer satisfaction survey found that the Victorian TAFE system enjoyed the highest levels of satisfaction from employers among the states.⁴¹ The recently released 1998 statistics suggest that employer's regard for the Victorian TAFE system has declined slightly.⁴²

Notwithstanding the fact that regard for TAFE Institutes is still very high, the cracks are beginning to show and the TAFE infrastructure cannot continue to absorb these funding shortages. The decline in employer satisfaction is a direct result of a system that has prioritised economic considerations over quality education provision. There is an important distinction to be made here between quality of training and quality of provision. That is, while the quality of training offered by our Institutes is world-class, funding cuts have effected areas such as course and content development and student services which are an integral part of quality education *provision*.

In short, what the Institutes do, they continue to do extremely well, but the range of educational services they can offer has been reduced under these funding cuts which has resulted in an overall decline in quality provision. Thus, while Victorian TAFE Institutes offer high quality training even amidst increasing fiscal restraint - which is testament to the sound infrastructure of the system generally - this Association has serious concerns about the capacity of the system to maintain or rebuild the overall quality if the severe funding shortages our Institutes have withstood are not reversed. Moreover, there are important equity considerations at stake as funding cuts impact further and further on the wages of Institute teachers.

On a federal level, the amount of Government spending on education in Australia as a proportion of the Gross Domestic Product is slipping below that of many of our neighbours. In the recently released OECD World Education Indicators, Australia ranked 21st out of 29 OECD countries in

⁴¹ National Centre for Vocational Education Research. *Exhibit No.23*, pp.40-42.

⁴² National Centre for Vocational Education Research. *Survey of Employer Views on Vocational Education and Training*. 1999.

terms of the proportion of public expenditure on educational institutions.⁴³ On a State level, in 1997, the Victorian Government set the average price for the delivery of one hour of training at \$8.90. In NSW, this figure is \$12.00 and the national average is \$11.40. Rather than demonstrating the economic efficiency of the Victorian VET system, these figures reveal how severely under-funded it is. This is, in turn, an indicator of a lack of commitment by the former State Government to a *quality* publicly funded VET service. It remains to be seen whether the current State Government will make serious attempts to rectify this situation and address the issue of quality v. efficiency by redressing the funding shortages to our Institutes.

PART 3: TAFE and schools

The collaboration between TAFE Institutes and secondary schools is a vital part of the provision of VET in Victoria. This can occur in a number of ways and notwithstanding the many questions of process to be addressed, and a discussion of this follows, the Association believes that increased collaboration between TAFE Institutes and schools in Victoria is necessary to address the serious shortfall in the provision of quality VET to secondary students of all ages.

Despite an agreement between State and Federal Governments in the early 1990s that by 1999, 95% of 19 year olds should have completed year 12 or an initial post-school qualification⁴⁴, a disturbing trend towards decreased completion of year 12 has been noted both internationally and in Australia in recent years. Retention rates slumped to just 71.8% in Australia in 1997 compared to a peak of 77.1% in 1992⁴⁵ and they also declined by over 6% in Victoria between February 1992 and February 1999.⁴⁶

On a more local level, we must keep in mind that “[e]ducational outcomes in some areas of Victoria and among some groups, especially boys, are very poor... [for example] ... as many as 45 per cent of boys in public secondary schools in the Mornington Peninsula region drop out of school.”⁴⁷ This is of particular concern given that “[e]arly school leaving is a significant factor in labour market disadvantage experienced by young people.”⁴⁸ The social and economic costs that ensue from this disadvantage in the labour market are well known.

⁴³ OECD. *Education at a Glance: OECD Indicators 1998*. Centre for Educational Research and Innovation, Paris, p.31.

⁴⁴ Dusseldorp Skills Forum. *How young people are faring: A national perspective on developments that have affected young people during the 1990s*. Sydney (1999).

⁴⁵ Australian Bureau of Statistics. *Education and Training in Australia*. See Web Page at <http://statistics.gov.au/>.

⁴⁶ The Hon, Lynn Kosky, MP. *Ministerial Statement*. “Post Compulsory Education and Training Pathways in Victoria.” State Government of Victoria (January 2000) p.2.

⁴⁷ *Ibid.*, p.2.

⁴⁸ *Op.cit.*, Falk & Kilpatrick, p.2.

It has been suggested that the decline in upper-school education in Australia is partly the result of an over-emphasis on the merits of a university education as opposed to more vocationally oriented education paths.⁴⁹ Due to the focus on academic school subjects in many schools, to which a number of students do not relate well, a large proportion of students view upper-school education as irrelevant and/or beyond their capabilities – a significant factor causing them to discount the pursuit of upper-school and further education.⁵⁰

The learning opportunities for Australian youth need to be as varied as possible and TAFE “is one possible additional option which will meet the needs of some young, and not so young, people.”⁵¹ This is especially important given that, as the previously cited UNESCO report suggests, providing a diverse range of educational options at secondary school level is one of the most effective strategies in decreasing attrition rates.⁵² As many educational options as possible should be available to this cohort for their own benefit as well as their community’s.

Some of the options include:

a) VET on the school site

High quality VET should be available to all secondary school students so that non-university oriented students are not placed at an educational disadvantage. In order to provide further options to students at-risk of leaving the education system, this option should be introduced at the lower-school level when, according to recent research, they are most likely to exit the system.⁵³

Currently, many VET courses available in Secondary Schools are taught on-school-site by secondary teachers who are insufficiently qualified to teach vocational subjects and who have out-dated and limited teaching resources. For these reasons we believe that off-school-site training is generally preferable and thus TAFE Institutes should be viewed as a resource which can provide up-to-date training equipment and qualified teachers who are most often more suited to VET provision than secondary teachers.⁵⁴ Moreover, given our Institutes’ strong links with industry,

⁴⁹ Op.cit., The Committee, p.58.

⁵⁰ See, Op.cit., Professor John W. Chudleigh, p.1.

⁵¹ Op.cit., The Committee p.28.

⁵² Op.cit., UNESCO, p.11.

⁵³ See, Bill Sheridan with Margot Eaton & Laurie Bird. *Students at Risk: An Investigative Report*. Holmesglen Institute of TAFE (April 1999).

⁵⁴ Op.cit., The Committee, p.46.

increased collaboration between TAFE and schools will result in more industry responsive training of secondary students.

b) VET at a TAFE Institute

One of the highly successful forms of collaboration between Institutes and schools, is the *Pathways* program which sees high-school students attend an Institute for VET training one day per week where they receive training by qualified TAFE teachers on contemporary equipment. According to the feedback given to our teachers, for many of these students this is the one day a week that these students feel competent and comfortable in a learning environment. This program has a very high follow through rate (in Victoria 75% compared with 19% for VET in schools) which, given the fact that many of the students involved are traditionally attritionists, is testament to the success of the program.

Another significant benefit ensuing from this program is that upon completion of such a course students are prepared to enter pre-apprenticeships. This is relevant in two senses. As will be discussed further in Part 4, many students who enter Apprenticeships and Trainees are deemed under-qualified by competent TAFE assessors in basic areas when they begin their training. While pre-apprenticeships address this to some extent, there is often a need for assistance even at that initial stage of entry into the pre-apprenticeship program. The pre-apprentice does require basic skills that many educationally disadvantaged people don't have – particularly numeracy and literacy skills – and *Pathways* programs offer them this.

The second main sense in which *Pathways* programs are valuable is in terms of providing the opportunity for many educationally disadvantaged students to develop the belief that they are competent enough to consider further training and education. Self-respect and respect for education are foreign concepts to many of these students. The benefits of the trickle-down cultural shifts that this engenders cannot be over-estimated. These benefits are economic in the sense that early school leavers cost the nation an estimated \$2.6 billion annually,⁵⁵ and social in terms of the contribution education makes to equality of opportunity. For these reasons, programs similar to the *Pathways* program should be facilitated, encouraged and fully funded by Government.

⁵⁵ Anthony King. *The Cost to Australia of Early School-Leaving*. Dusseldorp Skills Forum, National Centre for Social and Economic Modelling: Canberra (October 1999), p.1.

c) VCE at a TAFE Institute

A further option in terms of collaboration between TAFE Institutes and secondary schools which has been successful is the teaching of students enrolled in HSC or Tertiary Preparation courses at TAFE Institutes. One of the principal advantages of this is that TAFE offers a forum in which those students who are not suited to a school environment (as opposed to the curriculum) can choose to study in an entirely different environment which is often far more conducive to their continuing in higher education.

d) Vocational Colleges

A different model that is of interest to the Association is the Vocational College model being advocated by the Holmesglen Institute of TAFE in particular.⁵⁶ The basic premise behind this model is that VET training should be offered to high school students in order to address declining retention rates. Where this model differs from those above is its suggestion that the students should be trained neither on the school site or Institute site but rather, that a new site – the Vocational College – should be provided. The advantage of this is that educationally disadvantaged students – who have often been alienated from the school environment – are offered a more suitable environment that caters specifically to their needs. The Association sees significant merit in this concept and encourages Government to look further into its viability in the future.

In all of these senses of the relationship between school and TAFE, TAFE Institutes ease the transition from school to further education – whether VET or university related – to work. On a basic level, TAFE Institutes offer pre-vocational education which provides a diverse range of students both general and specific vocational skills which assist them in such a transition. On a more cultural level, as suggested previously, TAFE Institutes are best placed to provide a forum for those students who are educationally disadvantaged to continue receiving general, cultural and vocational education thus significantly improving their chances of gaining employment. According to recently released figures by the Australian Bureau of Statistics, the unemployment rate for people with post-school qualifications is less than half for those without (4.6% and 9.6% respectively).⁵⁷ This, in turn, increases their quality of life and maximises their contribution to the community at large.

⁵⁶ For a detailed outline of the model, see: Holmesglen Institute of TAFE. *A Proposal for a Vocational College for the Hon. Dr. David Kemp MP.* (1 April 1999).

⁵⁷ Australian Bureau of Statistics. *Transition from Education to Work, Australia.* Catalogue No. 6227.0 (10 December 1999).

Therefore, the Association concurs with the House of Representatives Standing Committee on Employment, Education and Training which recommended that there be “an increase in the amount of collaboration between TAFE Institutes and secondary schools, which should be encouraged and facilitated by government at all levels.”⁵⁸

PART 4: Apprenticeships/ Traineeships

The provision of vocational education and training through the New Apprenticeship Scheme (NAS) and Traineeships is an area which concerns this Association and our members a great deal. In general terms, we believe that analysis in this area is too focussed on (and thus sidetracked with) relatively remedial considerations such as the number of student contact hours delivered and the number of entrants into the scheme. While such considerations are important, we emphatically believe that what needs to be researched and mapped are the *outcomes* of this type of training. What, for example, is the relationship between Traineeships, skills level and long-term employment for the Trainee in Australia? Are the skills attained during the NAS adequate for Industry as a whole in the short and the long term? Are the much applauded Traineeship enrollment figures commensurate with completion and attendance figures? It is these outcome-focussed questions which should be prioritised over and above the more process-oriented questions posited above.

Unfortunately there is a distinct lack of outcomes focussed research in this area and hence much of what is to follow is based on anecdotal evidence that has been collected for this submission from our members. This is not to say that this evidence is not legitimate – indeed, anecdotal evidence is often far more qualitatively relevant than statistical evidence. But we do recognise that sustained and long-term research into this area is required. Hopefully this inquiry will prompt such an endeavor to which the following broad issues will be relevant.

a) Registered Training Organisations (RTOs) as employers

The effect of an employer being an RTO is often that the breadth of training offered to the Trainee or Apprentice is narrow and RTOs frequently only deliver training that is relevant to their core business. That is, an employer may require a particular skill to be performed and thus may train the employee only in that specific area. This costs them significantly less than employing a person who is already competent to perform the same job -

⁵⁸ Op.cit., The Committee, p.48

not only because Trainees and Apprentices command lower wages, but because as both an employer of a Trainee or Apprentice *and* as an RTO they accrue twin subsidies from the Government. Furthermore, the cost to the employer of providing broad-based training is unrecoverable except in the relatively unlikely event that that particular job requires all of those skills. Thus, there is a financial disincentive to provide training beyond that which is required in the short term *for that particular business* – an approach which is often labeled as being responsive to the needs of Industry!

Questions arise here about just who “Industry” is. Is Industry (as is too readily assumed) a conglomerate of discreet employers? If that is the case, how can one speak with any surety about the views of Industry? In some industries, where there is unanimity of views, such a conclusion would be acceptable. However, it is well known that in industries with a more diverse cohort of employers it is unsafe to assume that such a single voice exists.

Furthermore, whereas it is the views of industry – read Industry Associations – that promote the competency standards to be achieved, it is individual employers, often with what must be questionable competence to do so, that are called upon to assess the efficacy of the training outcomes.

When training is secondary to the operational needs of business, the engagement of Trainees becomes an employment issue rather than an education and training issue. The conflicting interests between the needs of an individual employer for whom “just in time” training may be adequate and their duty as a trainer to provide for the long-term needs of the “Industry” is clearly apparent. Training which focuses on the long-term needs of the Industry as a whole is essential to the health of the Australian Training System and Industry and it is this sense of “Industry” which must be prioritised when Governments implement training systems.

Moreover, even if the employer *is* an ethical training provider and doesn’t view the Trainee or Apprentice as a form of cheap labour, they often lack the time and resources to provide adequately rounded on-the-job training and assessment of that training. Some trainers are able to communicate and teach (that is train) to very high standards, others are not. Some employers can offer a range of equipment and areas for employees to train on, others cannot. Some assess performance accurately and honestly and others do not. Who, in this case, assesses the assessors and provides the audit process to ensure the required quality is achieved?

There is significant anecdotal evidence to suggest that the RTO registration process is seriously flawed. We have heard of many instances in which RTOs are ill-equipped and have insufficiently qualified trainers. While audits are conducted, they are clearly not thorough enough and are often initiated only upon complaint. In short, more rigorous preventative measures need to be put in place and the assumption that employers *can* and *will* provide adequate training on-the-job should not be made if we want safe workplaces and if we want to produce carpenters who can do more than fit door frames and chefs who are not limited to just one menu.

Training a highly skilled workforce ought not to be interpreted as training a narrow and specialist workforce. If we are serious about providing a training system that has as its goal a training culture embraced by all sections of Australian society, for the benefit of the workforce as a whole, then we must ensure that the existing system is not being corrupted by those with vested interests whose depth of commitment leads them only to aspire to the provision of “just in time” – “just for me” – specialist training.

b) On-the-job Training v. Off-the-job Training

While we support Industry’s call for on-the-job training, there is a question of balance to be addressed. That is, there must be an acknowledgement that none of us can “do it all”. Off-the-job training at TAFE Institutes which provide monitored broad skills-based training by qualified teachers on a range of equipment has its place, as does so-called “hands on” and specific on-the-job experience. This combination of on and off-the-job training generates reciprocal monitoring which is beneficial to the Training System at large. We have heard many examples of Institutes that have received “experienced” Trainees who are assessed by their employers as having a certain skills base, but who in the opinion of experienced TAFE assessors are virtually skill-less.

Combined on and off-the-job training benefits both the employee and industry. The narrowing of the skills base of Australia’s Trainees and Apprentices is of serious concern as it, in essence, represents a de-skilling of the workforce at a time when Industry is calling for higher skills. Furthermore, the employee loses in this system as their training is too specific and their skills base is not portable - thereby restricting their future employment potential.

A recent forum on “Employment, Work and Leisure” at the Research Centre for Vocational Education and Training found that “the greatest economic benefit for the country was likely to be found in improving the productivity of workers over their whole working life rather than in their current period of employment.”⁵⁹ At present this is not occurring as the checks and balances to monitor quality educational outcomes are not in place. Therefore the standard of Apprenticeships and Traineeships is suffering which will only induce a further lack of confidence and investment by Industry in our Apprentices and Trainees.

c) Group Training Companies as Registered Training Organisations

There is growing concern that some Group Training Companies (GTCs) are taking advantage of the User Choice system. Many Institutes reported incidents where students (and/or their parents) were concerned that they were not offered the *choice* to train with their local TAFE Institute. Anecdotal evidence suggests that some GTCs – contrary to User Choice principals – demand that their clients train with them. Of course, there are many quality ethical GTCs but again, this cannot be assumed. While many GTCs offer lower cost training to the Government, they often do so at the expense of quality. Questions need to be asked about whether the monitoring of training, services and equipment offered by GTCs is adequate in this system.

d) Private Brokers

Concern was also expressed about the role of brokers in the recruitment process. When an individual who would like to become a Trainee or an Apprentice approaches a broker or is approached by a broker, they are often not sure of who they are dealing with. One could argue that because they are not education bodies, brokers prioritise economic imperatives over education ones and advise the potential Trainee or Apprentice on that basis. We have heard evidence of brokers failing to undertake proper selection and recruitment procedures in order to cut costs. They then sell Traineeships to Registered Training Organisations which conduct employment and training counselling only to discover that the Trainee has been guided into the wrong path and/or has insufficient skills. This is a costly error as by this stage; both the broker and the New Apprenticeship Centre have received Government funding.

⁵⁹ Research Centre for Vocational Education and Training. *Pictures of the future: What is the future of VET? Summary papers from the National Issues Forum*. Sydney (21 June 1999) p.4.

e) Lack of Industry support for Apprenticeships and Traineeships

While the recent AiG report found that 74% of companies see training Apprentices and Trainees as a good investment, it also reported that few of them expect to hire strongly at the Apprentice (17.4%) and Trainee (16%) level in the next 3-5 years.⁶⁰ The reasons for this are complex but one of the central themes of our investigation into this area was that the system was perceived by employers to be complex and unclear and is seen as not adding value to the company business. The “paper-work” or “red tape” involved was consistently mentioned in relation to this, as was the role of the various stakeholders. For example, the role of Registered Training Organisations in relation to New Apprenticeship Centers was not clear to many employers – the employer frequently being left in the position of not knowing who to liaise with on what issues. On a simplistic level, this is bad customer service and may partially account for Industry’s reluctance to take on Apprentices and Trainees.

The value of a quality publicly funded TAFE system is clearly evident in this regard as Industry is able to utilise the skills and training of a particular Institute or Institutes which must consistently adhere to quality assurance principles underwritten by Government. The qualifications and skills offered, while diverse, adhere to standards which are articulable and transferable. In short, dealing with a publicly owned Institute which is part of a network of Institutes that are committed to educational outcomes and funded publicly (thereby ensuring that they conform to uniform accountability requirements) offers Industry security and potentially simplifies the process.

f) Pre-Apprenticeships

One of the messages received from the AiG report, is that Industry (whether rightly or wrongly) want job ready employees who can perform for them immediately. It is for this reason that many of our members, and employers, applaud pre-apprenticeship training. If the outcome of training is to produce employable people with a well-rounded quality skill-base, then pre-apprenticeship training should be highly valued. According to many of the Institutes we spoke to, their pre-apprentice graduates are in huge demand from employers as they can enter the work-site sufficiently skilled to start work immediately. This is a win-win situation – the employer receives a skilled worker and the employee is skilled for their current and future employment. Importantly, both appreciate the value of training.

⁶⁰ Op.cit., Australian Industry Group. See Figure ES.6, p.xii.

Thus it is this Association's position that as a form of quality pre-vocational education with sustainable long and short-term benefits, pre-apprenticeships offer more to the employer, employee and Industry as a whole than Traineeships in their current form. Traineeships have a disastrously high non-completion rate (40%) which is often not recognised in performance indicators and, according to our research, of those who do complete, many are poorly skilled workers with skills too specific to be of use to Industry in the long term. Indeed, the system seems to be geared primarily toward the short-term labour needs of the employer rather than quality education and training for the Trainee.

Conversely, pre-apprenticeship graduates have received broad-based training which is monitored for quality, breadth and in terms of occupational health and safety standards before they step foot in the workplace. They carry this training with them throughout their further on-the-job training and career. The funding that is spent encouraging employers to take on Trainees would perhaps be better spent in other areas of VET provision. Therefore it is the Association's belief that the value of pre-apprenticeships should be reflected in future funding considerations and the current emphasis on Apprenticeships and Traineeships should be queried.

Conclusion

Victorian TAFE Institutes are among the best in the country despite the funding shortages and cutbacks they have been subjected to. They provide a very valuable community service, not only in terms of the provision of high quality VET, but also in terms of their social equity and community development role. It is the latter commitment which distinguishes TAFE Institutes most clearly from other VET providers for whom economic considerations often take precedence over educational achievements. It is for this reason that continuing the public provision of VET through publicly funded TAFE Institutes is essential and desirable for the country.

The labour market is moving decisively in favour of highly skilled workers, which arguably implies that industry must take more financial responsibility for VET in order to maintain and increase the skills it requires. However, Australia's training culture is not yet sufficiently developed to warrant an expectation that industry will accept this responsibility on its own. In the face of continued economic caution being exercised by the private sector, it remains for the Government to invest a greater proportion of public spending in education. Affordable access to education must be available for those without skills, to provide them with a range of adaptable skills and a lifetime commitment to vocational learning.

TAFE Institutes enjoy an enviable reputation among students, industry, the public and Government primarily as a result of their commitment to excellence in training and their commitment to positive educational outcomes. It is the Association's belief that industry and the public prioritise this goal over and above so-called economic efficiency. As has been established, this is measured in a dubious manner in any case as it most often relies upon simplistic comparative measures with private providers which ignore many of the costs associated with requirements that public providers alone must meet.

Thus, the Association believes that while there is some merit in Victorian TAFE Institutes' comparative economic efficiency, that this must be tempered with a consideration of other performance indicators – particularly the quality and accessibility of VET provision. In addition to the obvious economic benefits of a vibrant public TAFE sector, consideration must be given to the more intangible social benefits flowing from TAFE Institutes providing career and life opportunities to Australians of all ages, many of whom may not have completed their secondary schooling. The role that TAFE Institutes play in addressing Australia's serious unemployment problem, particularly youth unemployment, and the undisputed consequential social crises that follow, cannot be overstated.

It should also be noted that while Victorian TAFE Institutes have generally managed to maintain their excellent standards, they do so under enormous fiscal pressure which threatens those standards. It is up to Government to ensure this matter is addressed while the TAFE infrastructure is still strong so that TAFE can continue to take a leading role in Government's aim to provide lifelong learning for all Victorians.

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