2

National vocational education and training system

2.1   The national vocational education and training (VET) system plays a central role in ensuring Australia has a skilled workforce available to meet the needs of industry. The VET system also contributes significantly to achieving social equity and inclusion and a better standard of living for Australians.

2.2   The environment in which the VET system functions has changed significantly. Australian businesses operate in an increasingly competitive globalised economy, where the application of new technologies, the capacity to 'value add' and efficient use of existing resources is imperative. Australia's capacity to transition to a low carbon economy will also be significantly effected by the availability of 'green skills' and the ability to apply sustainability principles.

2.3   These challenges are faced at a time of existing skills shortage and declining rates of workforce participation as the workforce ages over the next 10 to 40 years.[1] Although the demand for skilled labour may contract in the current economic slow down, these longer term trends remain unaltered.

2.4   The findings of key research bodies suggest supporting long term prosperity and social inclusion requires the national VET system to increase the proportion of higher level qualifications and improve workforce participation by reaching a wider range of people. In *A*

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1   Treasury, *Intergenerational Report 2007*, http://www.treasury.gov.au/igr/IGR2007.asp

Well Skilled Future the National Centre for Vocational Education Research (NCVER) concluded that the future strategic direction in vocational education and training requires the VET system to be geared toward providing higher level qualifications.[2]

2.5   The Centre for the Economics of Education and Training at Monash University:

> found that the challenge for the sector over the next decade will be to maintain the effort at the Certificate III and Certificate IV levels, grow higher level qualifications and respond to the ageing of the workforce by meeting the expected shortfall in qualified people to support Australian industry.[3]

2.6   The Queensland Department of Employment and Training argued that Australia will need to double, from 30 per cent to 62 per cent, the proportion of workers with vocational and technical qualifications to meet future industry demand.[4] The transition to a low carbon economy will also require significant upgrading of the skills of existing workers and training in sustainability principles across a range of sectors. One estimate suggested that three million workers will need some form of up skilling if Australia is to achieve a transition to a low carbon sustainable economy.[5]

Vocational education and training governance arrangements

2.7   In Australia, 'state and territory governments have primary responsibility for managing their training systems'.[6] The Australian Government drives VET policy through funding for the national training system and for specific programmes and incentives.[7]

2.8   National VET policy is developed under the auspices of the Council of Australian Governments, by the Ministerial Council for Vocational

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2   NCVER, *A Well Skilled Future,* 2008.

3   DEST, *Annual Report 2006-2007*, p. 113.

4   DEEWR, *Submission 1*, p. 11; DEST, *Annual Report 2006-2007*, p. 113.

5   CSIRO, *Growing the Green Collar Economy: Skills and labour challenges in reducing our greenhouse emissions and national environmental footprint,* June 2008, p. 29.

6   DEEWR, *Annual Report 2007-08*, p. 98.

7   DEST, *Annual Report 2006-07*, p. 95; DEEWR, *Annual Report 2007-08*, p. 98.

and Technical Education (MCVTE) within the framework of the *Skilling Australia's Workforce Act 2005* and the *2005-2008 Commonwealth-State Agreement for Skilling Australia's Workforce*. This overarching framework is supplemented by a series of State and Territory Bilateral Agreements and VET Plans.[8]

2.9   The DEST 2006-07 Annual Report explains that:

> The MCVTE provides the national focus for vocational education and training through the following mechanisms:
>
> - National Governance and Accountability Framework, which established the decision making processes and bodies responsible for training, as well as planning and performance monitoring arrangements;
> - National Skills Framework, which sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training;
> - Australian Quality Training Framework, which contains the requirements for registration and audit of training organisations and national qualifications.[9]

2.10   In addition, the National Quality Council was 'established to ensure national consistency in the sector, [and] includes representatives from industry, the states and territories, client groups and training providers'.[10] The functions of the National Quality Council are:

> - reporting to the Ministerial Council on the operation of the National Skills Framework, including training packages, Australian Quality Training Framework standards and other quality assurance arrangements;
> - advising Ministers on the endorsement of training packages;
> - recommending approaches to improve national consistency within the operation of the National Skills Framework; and
> - fulfilling accountability requirements through providing an annual report on its operations to the Ministerial Council.[11]

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8   See, 2005-2008 Commonwealth- State Agreement for Skilling Australia's Workforce; State and Territory Bilateral Agreements, and VET Plans: http://www.dest.gov.au/sectors/training_skills/publications_resources/agreement/2008.htm

9   DEST, *Annual Report 2006-07*, p. 105.

10   DEST, *Annual Report 2006-07*, p. 106.

11   DEST, *Skilling Australia, 2005-2008 Commonwealth State Agreement for Skilling Australia's Workforce,* p. 47.

2.11   The National Industry Skills Committee provides the MCVTE with 'advice on workforce planning, future training priorities and other critical issues facing the training sector'.[12] Ten Industry Skills Councils (ISC), provide the mechanism for industry involvement as a conduit for industry intelligence to government.

2.12   The ISCs, in consultation with their sector partners, develop national training packages, which reflect standards and competencies agreed to by industry. Training packages are endorsed by the National Quality Council, and then lodged on the National Training Information System, which provides a single entry point to national training packages. The National Training Information System is designed for training sector users, not for the general public, and contains information about qualifications, courses, units of competency and registered training organisations licensed to provide training.[13]

Skills Australia

2.13   Skills Australia was established in 2008 to advise government on current and future demands for skills and future directions in VET policy.

2.14   Skills Australia is undertaking a consultation on the governance arrangements of the national VET system.[14] That review will examine options for simplifying governance infrastructure and regulatory arrangements. Specifically the review will target barriers to building a national VET system, with greater consistency in implementation, accreditation and quality control.[15]

2.15   The Strategic Industry Forum hosted by Skills Australia on 20 February 2009, brought together the ISCs, industry and peak body representatives, and State Training Authorities. The Forum identified four areas for action:

- strategic industry leadership;

- quality;

12   DEST, *Skilling Australia, 2005-2008 Commonwealth State Agreement for Skilling Australia's Workforce,* p. 38.

13   http://www.ntis.gov.au/Default.aspx

14   See, Skills Australia, *Discussion Paper: Future Governance of the National Vocational Education and Training System,* 2008, p. 2.

15   Skills Australia, *Discussion Paper: Future Governance of the National Vocational Education and Training System,* 2008, p. 13.

- funding and equity; and

- evidence based policy and planning.

2.16   A joint working group will coordinate work on these areas and
        provide a mechanism for consultation with wider industry and
        community stakeholders.

National training packages

2.17   The national training packages are central to achieving a national VET
        system and have been the focus of recent debate and reform. In 2007,
        the Department participated in an international benchmarking study
        initiated by the Organisation for Economic Co-operation and
        Development (OECD) to review VET policy and practice in thirteen
        countries.[16] The results of the study were published in November
        2008. The OECD review provided positive feedback on many aspects
        of Australia's VET system, however, it also expressed a number of
        concerns, including:

- the extensive breadth, complexity and number of training
  packages;

- the need for skills training to respond quickly to rapidly evolving
  industrial sectors;

- the emphasis on training for certain jobs rather than generic tasks;

- the limited use of many training packages;[17]

- the absence of national assessment, which means there is no
  national standard to ensure that a particular set of skills has in fact
  been acquired.

2.18   DEEWR advised that a new process for the development and
        endorsement of training packages was agreed by the National Quality
        Council for implementation from January 2008 onwards. A
        'continuous improvement model' has replaced the system of three
        yearly review and:

>   will enable better responsiveness to industry priorities for
>   new and updated skills, and give Industry Skills Councils

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16   DEEWR, *Annual Report 2007-08,* p. 100.

17   In 2006, about eighty per cent of all publicly recorded enrolments in training packages
      were in just 180 of the 1 709 available. Around 70 qualifications were not used at all in
      2006 (NSOC, 2008, pp. 16-17); as reported in OECD, *Learning for Jobs: OECD Reviews of
      Vocational Education and Training: Australia*, November 2008, p. 36.

greater responsibility and accountability for the final product.[18]

2.19   The process (see Figure 1) includes an Environmental Scan, Continuous Improvement Plan, Impact Statement and the establishment of an Industry Skills Council Quality Assurance Panel.

Figure 1   Processes for Development and Endorsement of Training Packages 2008
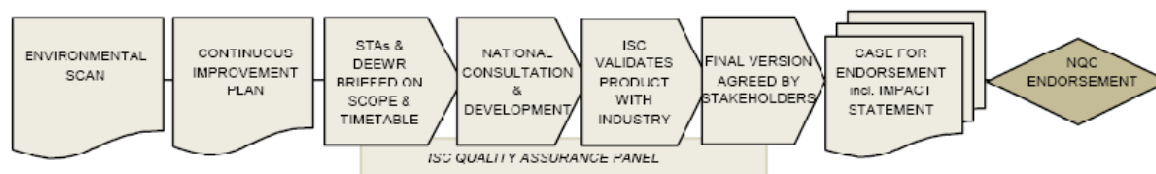
Source: Training Package Development and Endorsement Process 2008

2.20   DEEWR stated that:

The new process aims to strengthen quality assurance arrangements … and also provides some streamlining of the endorsement process.[19]

Key themes

2.21   The Committee inquired into the three specific issues relating to the VET sector:

  ■ skills training to meet emerging demands;

  ■ the Australian Qualifications Framework; and

  ■ support for mature age apprentices.

2.22   Three areas of attention emerged relating to the capacity of the national VET system to:

  ■ improve national consistency in delivery, quality and assessment of training outcomes;

18   Department of Education, Employment and Workplace Relations website: http://www.dest.gov.au/sectors/training_skills/policy_issues_reviews/training_packa ge_development_endorsement_process_2008.htm.

19   DEEWR, *Submission 1*, p. 12.

- increase labour force mobility through better acknowledging portability of skill sets in qualifications; and

- close skills shortages and raise sustainability skills.

2.23 In attending to these areas, industry stakeholders agreed with the Department that the national VET system must be flexible and responsive to changing economic conditions and the demands for new and higher level skills.

2.24 Among specific concerns commented on by industry stakeholders were:

- obstacles to achieving nationally consistent implementation of training packages;

- inconsistency in delivery, skills assessment and industry acceptance of qualifications;

- rationalisation and portability of training packages;

- barriers to meeting skills shortages and training for 'green' skills; and

- lack of comprehensiveness of data on private sector VET providers.

2.25 The Committee also heard evidence on measures to support mature age apprenticeships.

Consistent national implementation of training packages

2.26 DEEWR clarified that a training package:

> does not prescribe how the training should be delivered, or the time taken to deliver it. It is the responsibility of the registered training organisations to develop teaching strategies and assessment methods to meet the needs, abilities and circumstances of the students and industry.[20]

2.27 However, the Construction and Property Services Industry Skills Council stated that inconsistencies in the implementation of national training packages could arise after their endorsement:

> After the training packages have been endorsed by the National Quality Council and the ministers, the training package goes on the national training information system. The registered training organisations can then elect whether

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20 DEEWR, *Transcript of Evidence*, 5 February 2009, p. 3.

> or not to deliver those qualifications and the state training
> authorities can then elect whether or not to fund the delivery
> of those qualifications through public funding … They can
> also get delivered by fee for service.[21]

2.28   Furthermore, state training authorities may refuse to implement a
nationally endorsed training package, despite its development and
endorsement under the national framework. The problem was
illustrated with reference to the construction industry:

> the state of Victoria is still using the 1998 construction
> training package. They chose not to implement the 2003
> package, for very minor reasons; other states certainly did
> implement that package. We have just revised the
> construction package … It has been endorsed by the National
> Quality Council, and the state of Victoria is not allowing us to
> put that on the National Training Information Service.[22]

2.29   The Dusseldorp Skills Forum described as 'ridiculous' the current
situation where the system for plumbers with environmental
qualifications is different in New South Wales from that which exists
in Victoria and Queensland.[23]

Inconsistency in delivery and assessment of skills qualifications

2.30   The 2006-07 DEST Annual Report related collaboration between DEST
and the National Quality Council 'to develop a new outcomes based
Australian Quality Training Framework, which came into effect on
1 July 2007'.[24] The Annual Report states that:

> AQTF 2007 has a stronger focus on the quality of services and
> outcomes being achieved for clients, rather than on the inputs
> used to get there. Registered bodies have worked together to
> develop national guidelines to ensure consistent
> interpretation and implementation of AQTF 2007. AQTF 2007
> places the focus on quality assurance squarely on training
> and assessment, client services and management systems.[25]

2.31   The OECD review noted that:

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21   DEEWR, *Transcript of Evidence*, 5 February 2009, p. 4.

22   Construction and Property Services Industry Skills Council, *Transcript of Evidence*,
13 November 2008, p. 2.

23   Dusseldorp Skills Forum, *Transcript of Evidence*, 14 November 2008, p. 4.

24   DEST, *Annual Report 2006-07*, p. 106.

25   DEST, *Annual Report 2006-07*, p. 106.

> Despite a common national qualification system, there are wide variations in the assessments standards which are applied.[26]

2.32 ISCs expressed concern about inconsistency in the quality of VET training and assessment undertaken by some Registered Training Organisations (RTOs). The ElectroComms and Energy Utilities Industry Skills Council stated:

> Under the AQTF system, through the states, registered training organisations supposedly adhere to policy and guidelines and a quality framework. The fault in the system has probably been that they are being process driven rather than outcomes driven.[27]

2.33 DEEWR confirmed that state registration bodies are responsible for registering the training organisations and for monitoring the quality of delivery. The AQTF, 'is a national training framework, and it is against that framework that the state registration bodies assess the training providers.'[28]

2.34 The Department reported that there are:

> slightly different arrangements in each different state and territory around the formal issuing of a statement of attainment or the issuing of a full qualification by the RTO certified by the state, but, ultimately, acceptance of the quality or standard of that qualification will be tested by the industry or the employer and the clients who are using those services.[29]

2.35 The Australian Industry Group (AIG), a member of the National Quality Council, stated that 'industry does have some confidence issues in the assessment of the system.' AIG claimed assessors often suffer a lack of professional development and there are insufficient assessment benchmarks in the system.[30]

2.36 In 2006, NCVER research showed that 77 per cent of employers reported satisfaction with vocational qualifications as a way of

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26 OECD, *Learning for Jobs; OECD Reviews of Vocational Education and Training: Australia*, November, 2008, p. 13.

27 ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence*, 13 November 2008, p. 3.

28 DEEWR, *Transcript of Evidence*, 5 February 2009, p. 4.

29 DEEWR, *Transcript of Evidence*, 6 June 2008, p. 47.

30 AIG, *Transcript of Evidence*, 14 November 2008, p. 21.

meeting skills needs.[31] NCVER's 2007 Survey of Employer Use suggested that employers' satisfaction with the VET system remains relatively high, with 80.8 per cent of employers with jobs requiring vocational qualifications reporting satisfaction.[32]

2.37   TAFE Directors Australia reported an international consequence of the failure to sustain the satisfactory service delivery levels by some RTOs:

> A number of TAFE institutions have established partnerships with Chinese institutions; they deliver the first year of a course and then the students come to Australia to do the second or the second and third year of a course … The activities of private providers in China have led the Chinese Government now to banning any further partnerships between Australian institutions and Chinese counterparts … they have done massive damage to a very lucrative and important Chinese market.[33]

2.38   In response to this claim, DEEWR stated:

> Under the [Education Services for Overseas Students] legislative framework, the federal, state and territory governments share responsibility for monitoring providers who offer courses to international students. DEEWR and designated authorities both carry out site and other audits of providers to ensure compliance with the Standards National Code 2007.[34]

2.39   The OECD review of VET policy and practice argued that increased competition in the VET sector requires more rigorous quality reporting on the outcomes. AIG stated:

> There is a lot merit in having more rigorous publication of quality indicators. They would have to be nationally consistent and they would have to be a set of indicators that genuinely captured the breadth and depth of what you are looking at or else you could skew the information quite badly. You also need to be able to acknowledge providers

31   NCVER, *Survey of Employer Use and Views of Vocational Education and Training (2005),* as reported in DEST, *Annual Report*, p. 107.

32   NCVER, *Survey of Employer Use and Views of Vocational Education and Training* (2007); available at http://www.ncver.edu.au/statistics/surveys/seuv07/highlights.html

33   TAFE Directors Australia, *Transcript of Evidence*, 18 September 2008, p. 3.

34   DEEWR, *Supplementary Submission 1.2*, p. 7.

> that deal with significant cohorts of disadvantaged people,
> and reward and acknowledge that. The indicators have to be
> right.[35]

2.40   However, AIG did not support additional assessment because:

> It would be a duplication of assessments, so it would come at
> great cost … It would only have any efficacy if it happened in
> the workplace.[36]

2.41   DEEWR stated that the AQTF was subject to further review by the
Quality Standing Committee under the National Quality Council,
which is responsible for looking at national consistency.[37]

Rationalisation and portability of training packages

2.42   Group Training Australia, expressed reservation at whether current
training packages had the required level of flexibility:

> given the big push for skill sets, a big push for competency
> based training, a big push for fast-tracking of apprentices …
> skills training packages are going to have to be very agile and
> nimble in responding to the demands of this so called
> industry driven system. You would have to question the
> current agility of some of the packages to respond in an
> appropriately quick manner.[38]

2.43   The ElectroComms and Energy Utilities Industry Skills Council
indicated the importance of flexibility of packages in terms of their
portability:

> Portability is a real issue, particularly when the emphasis on
> construction has fallen away, or when energy management,
> gas generation or electricity are in an upturn, which is going
> to happen, particularly with gas and with the mining
> industry. With the boom in mining, we are going to transfer
> people across from each of those sectors into where the boom
> times are. We will be using line workers in the electro
> technology industry.[39]

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35   AIG, *Transcript of Evidence*, 14 November 2008, p. 20.

36   AIG, *Transcript of Evidence,* 14 November 2008, p. 20.

37   DEEWR, *Transcript of Evidence*, 5 February 2009, p. 4.

38   Group Training Australia *Transcript of Evidence*, 14 November 2008, p. 43.

39   ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence*,
     13 November 2008, p. 6.

2.44   Manufacturing Skills Australia, stated that it drew together separate parts of industry training arrangements including, metal and engineering aerospace, light manufacturing (textile, clothing, footwear, furnishing) and process manufacturing. The amalgamation created a 'great opportunity for a more unified approach to training for the manufacturing industry':

> The key goals … are things like national consistency … and providing opportunities for people to move between enterprises and across sectors if they are displaced.[40]

2.45   In a similar vein, the Resources and Infrastructure Industry Skills Council, stated that it is combining nine different training packages, into one 'warehouse bank':

> we are rationalising right across all our units of competency and qualifications so that the skills that are developed by people can be recognised in not unfamiliar territory for them … training providers are a bit reluctant to take some of that change on board … but it has great support from major industry players and most enterprises...[41]

2.46   The energy sector also identified a common training stream across all four industries of generation, gas, TDR[42] and electro technology:

> if somebody is a line worker and decides to be an electrician, they can transfer. It is the same for those wanting to go into gas and generation. So we have made a basic Certificate II level where people can go across all of those sectors. They can change sectors whenever they want and take the credits with them.[43]

2.47   The construction industry reported similar progress on rationalisation. The Construction and Property Industry Skills Council advised:

> We have just rationalised the construction packages. There were three separate packages: general construction, offsite and plumbing and services packages. We have just collapsed

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40   Manufacturing Skills Australia, *Transcript of Evidence,* 14 November 2008, p. 23.

41   Resources and Infrastructure Industry Skills Council, *Transcript of Evidence,* 14 November 2008, p. 26.

42   Time domain reflectometry.

43   ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence,* 13 November 2008, p. 6.

those down to one and we have tried to pick up common core units in the qualifications wherever possible…[44]

Green skills and sustainability principles

2.48   CSIRO appeared following the release of its report to the Dusseldorp Skills Forum, *Growing the green collar economy*. In its evidence, CSIRO presented claims that:

■ If Australia takes significant action to cut greenhouse gas emissions national employment will still increase by between 2.6 million and 3.3 million over the next two decades.

■ Jobs in sectors that are currently high carbon emitters, like transport, construction, agriculture, manufacturing and mining are forecast to grow strongly in the next decade.

■ It will be essential to identify and provide the green skills needed by the 3.25 million workers in industries that currently have 'high environmental impacts'.[45]

2.49   The ElectroComms and Energy Utilities Industry Skills Council predicted that virtually all of Australia's 150,000 electricians would need some form of retraining in sustainability principles and audit.[46]

2.50   CSIRO argued for a broader understanding of 'green skills' than the upgrading of trade skills:

what is required … is actually a transition—something which fundamentally changes the circumstances under which things are done in the economy, in businesses and in households. In order to achieve this there will be flow-on effects which will affect the whole economy and which will create opportunities in … sectors, which in the first take we would not identify as green skills… [47]

2.51   ISCs agreed that a cultural change in work activity, around issues such as energy conservation, will bring significant new opportunities to lift the skill level of the work force. Manufacturing Skills Australia likened the anticipated new wave of activity in green skills and sustainability to the major reforms in occupational health and safety

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44   Construction and Property Industry Skills Council, *Transcript of Evidence*, 13 November 2008, p. 6.

45   http://www.dsf.org.au//papers/204/GreenSkillsMEDIARELEASE_2.pdf

46   ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence*, 13 November 2008, p. 10.

47   CSIRO, *Transcript of Evidence,* 28 August, 2008, p. 3.

in the 1980s, where workplaces required a significant change in mindset.[48]

2.52   NCVER stated that, while VET has:

> a central role to play in the adoption and promotion of practices which encourage sustainability, the incorporation of 'sustainability skills' in vocational training is an existing gap.[49]

2.53   Dusseldorp Skills Forum stated that consumer demand for greater sustainability, has been slow to date but could be expected to increase with the introduction of a Carbon Pollution Reduction Scheme.[50]

2.54   DEEWR advised that the Ministerial Council has commissioned an 'action group' to consider ways the VET system can respond to the demand for training in 'green skills'.[51] The Department stated that, as a matter of course, some trades would require participants to upskill:

> In terms of the regulated occupations … [tradespeople] have to have a licence which is renewed either annually or for some other period. Where there is a regulatory requirement, for example in relation to grey water or to cabling for web based things and so on, that is actually a change in the regulation. As part of [a tradesperson] getting their licence for the ensuing period they have to undertake some of that sort of training.[52]

2.55   AIG suggested that 'green skill sets or skill sets around sustainability' required existing skills to be applied in new ways:

> All plumbers need to be green plumbers now, but a lot of the green plumbing skills are not different from existing plumbing skills; it is the application that is altered, not the skill … we get confused between skill and application.[53]

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48   Manufacturing Skills Australia, *Transcript of Evidence*, 14 November 2008, p. 25.

49   NCVER, *Finding Common Ground: is there a place for sustainability education in VET?*, 2007.

50   Dusseldorp Skills Forum*, Transcript of Evidence*, 14 November 2008, p. 7.
     Cf. ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence*, 13 November 2008, p. 10: 'In the past there were electives that actually picked that up but nobody took them. We had them available but nobody took them.'

51   DEEWR, *Transcript of Evidence*, 5 February 2009, p. 6.

52   DEEWR *Transcript of Evidence*, 6 June 2008, p. 41.

53   AIG, *Transcript of Evidence,* 14 November 2008, p. 11.

2.56   AIG expressed concern that apprenticeships should not be 'turned into endless things … it is not this bolt-on thing that you have to keep adding and adding to…'[54]

2.57   DEEWR stated that the existing system for delivering training in, for example, the installation of photovoltaic systems, or the conversion of cars to LPG, is sufficiently flexible:

> The training and delivery system … has that flexibility to deliver just certain modules or skills points. So an individual plumber could say, 'I'm going to try and pursue a course in TAFE,' identify just a couple of key components and pay on a fee basis for the hours of delivery for those components of a qualification.[55]

Shortage of trade teachers

2.58   Concerns were raised about the impact of a shortage of trade teachers on the capacity of the national VET system to deliver the level and quality of training needed. The Construction and Property Industry Skills Council argued that it was difficult for TAFE and private RTOs to attract tradespeople away from good wages in their industry into training roles:

> the TAFE area is simply not competitive in terms of the wages that are offered. People can earn a lot more very quickly, without having the constraints applied to them that they would have working in a TAFE.[56]

2.59   The ElectroComms and Energy Utilities Industry Skills Council stated that:

> There is a massive shortage of trade teachers, and that is going to be the biggest issue that faces us in the next six or seven years. We have a giant roll-out of smart metering and photovoltaic renewable sources so that, unless we get people who can train people, we are going to have not just a massive skill shortage but a massive quality problem down the track.[57]

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54   AIG, *Transcript of Evidence,* 14 November 2008, p. 11.

55   DEEWR, *Transcript of Evidence*, 6 June 2008, pp. 40-41.

56   Construction and Property Industry Skills Council, *Transcript of Evidence,* 13 November 2008, p. 4.

57   ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence,* 13 November 2008, p. 3.

2.60   The ElectroComms and Energy Utilities Industry Skills Council
        advised that state training authorities would not accept proposals
        from the ISC to provide refresher training to trades teachers on, for
        example, maths and physics, because it was considered a duplication
        of the Diploma of Teaching. It was suggested that there is a case for
        trade specific teacher training to give tradespeople the confidence to
        teach and that a teaching qualification is too generic to meet the
        need.[58]

Apprenticeships

Pre-apprenticeships

2.61   The Committee inquired into the adequacy of school-industry
        engagement and pre-apprenticeships as a pathway to further post
        school training and employment. In general, witnesses agreed that
        industry is more positive about employing a young person who has
        already had the opportunity to understand the nature of the work.

2.62   NCVER stated that:

> It is very difficult to get proper data on how successful [pre-
> apprenticeships] are, but all of the feedback … collected, both
> from the employers and from the apprentices, was very
> positive, for the reason that … they essentially act as a filter to
> find out those people who are really suited to that
> occupation.[59]

2.63   AIG confirmed the absence of data but referred to anecdotal feedback
        from members that indicated employers preference for someone who
        has already made a choice because the person is more likely to
        complete their apprenticeship.[60]

2.64   TAFE Directors Australia also endorsed pre-apprenticeships as
        providing good value from the perspective of the student:

> They give the students confidence that they have some
> capability in terms of going out into the workplace. They get

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58   ElectroComms and Energy Utilities Industry Skills Council, *Transcript of Evidence,*
     13 November 2008, p. 8.

59   NCVER, *Transcript of Evidence*, 22 July 2008, p. 4.

60   AIG, *Transcript of Evidence*, 14 November 2008, p. 17.

a good orientation, before getting out on to the job, towards what the work will be like.[61]

Mature age apprentices

2.65   DEEWR provided information on the Support for Mid−Career Apprentices programme that provides financial assistance to employers (as a wage subsidy) or to Australian Apprentices (as income support) depending upon industrial arrangements. The programme provides $150 per week in the first year and $100 per week in the second year.[62]

2.66   The programme was introduced in 2006 following analysis showing that commencement of Australian Apprenticeships had significantly lower levels for persons aged 30 and over in trades experiencing strong skill shortages.[63]

2.67   Group Training Australia stated that the higher wage rate for a 21 year old apprentice is an issue for smaller employers.[64]

2.68   The programme targets apprentices commencing an apprenticeship after the age of 30 years at the Certificate III or IV in a trade experiencing a skill shortage.

2.69   DEEWR reported that by 8 July 2008 there were 7,494 Support for Mid Career recipients:

   ■ 5,188 are new Australian Apprenticeship commencements but were not necessarily unemployed prior to commencing; and
   ■ 2,306 were existing workers upgrading their skills.[65]

2.70   A further update showed that at 22 February 2009 there were 10,989 Mid-Career recipients:

   ■ 7,364 are new Australian Apprenticeships commencements but were not necessarily unemployed prior to commencing; and
   ■ 3,625 were existing workers upgrading their skills. [66]

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61   TAFE Directors Australia, *Transcript of Evidence*, 18 September 2008, p. 10.
62   DEEWR, *Submission 1*, p. 4.
63   DEEWR, *Submission 1*, p. 4.
64   Group Training Australia, *Transcript of Evidence*, 14 November 2008, p. 54.
65   DEEWR, *Supplementary Submission 1.1*, p. 4.
66   DEEWR, *Supplementary Submission 1.2*, p. 7.

Data collection on private VET

2.71   The OECD recently acknowledged that:

> Australia invests heavily in data collection and research on
> VET through core funding of the National Centre for
> Vocational Education Research and the statistical and
> analytical tasks contracted to it and to other research
> agencies.[67]

2.72   The OECD report recommended extending data collection to support
more informed student choice and incorporating statistical indicators
routinely into policy development at all levels of government.[68]

2.73   NCVER expressed concern at the lack of data on vocational education
and training conducted by private RTOs. NCVER claimed that
vocational education and training in new technologies is mainly
market driven and takes place in the private sector.[69] As private RTOs
have no obligation to provide course or student data, NCVER is
unable to provide comprehensive data to government.[70]

2.74   DEEWR estimated that about 85 per cent of all vocational education
and training is delivered through publicly funded organisations, with
the remainder through private RTOs.[71] NCVER speculated that
private RTOs could account one half to two thirds of all vocational
education and training, but could not provide firm statistics on this
matter.[72]

2.75   The Resources and Infrastructure Industry Skills Council stated that
its industry is not engaged with the publicly funded training
providers.[73] Similarly, Manufacturing Skills Australia identified lack
of data collection on enterprise funded fee for service training as an
issue of concern in their recent *Environmental Scan 2008*:

> There is a significant component of training provision using
> various manufacturing Training Packages that is not captured

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67   OECD, *Learning for Jobs OECD Reviews of Vocational Education and training: Australia,*
November 2008, p. 28.

68   OECD, *Learning for Jobs OECD Reviews of Vocational Education and training: Australia,*
November 2008, p. 29.

69   NCVER, *Transcript of Evidence,* 22 July 2008, p. 7

70   NCVER, *Transcript of Evidence,* 22 July 2008, p. 7.

71   DEEWR, *Transcript of Evidence,* 5 February 2009, p. 9.

72   NCVER, *Transcript of Evidence,* 22 July 2008, p. 7.

73   Resources and Infrastructure Industry Skills Council, *Transcript of Evidence,* 14 November
2009, p. 22.

> in AVETMISS data. This activity is entirely enterprise funded…[74]

2.76   The OECD report noted NCVER's limited coverage in the private sector in the context of the Student Outcomes Survey:

> The Student Outcomes Survey, a national survey conducted annually since 1999, obtains information on students one year after they leave the VET System. Its scope has recently been extended, but it still provides only partial coverage of private and community providers and fee-for-service VET schools.[75]

2.77   The Strategic Industry Forum held on 20 February 2009, identified evidence based policy and planning as an area requiring attention. In a preparatory paper for the Forum, Skills Australia said that employers spend 1.3 per cent of payroll on formal structured training, which is above the average expenditure by employers in the European Union countries but:

> Inadequate data on employer investment in training creates difficulties in examining the respective roles of government and industry in the purchase of training.[76]

2.78   NCVER suggested that there should be a mutual obligation on private RTOs to provide a minimum set of data in return for endorsement under the Australian Quality Training Framework.[77]

Committee comment and recommendation

2.79   VET policy is a priority for government, and is undergoing a period of intense review and significant reform. The following comments should be taken in the context of the climate of change prevailing in the sector.

2.80   Underpinning many of the concerns raised by stakeholders about inconsistency in implementation, delivery, quality and assessment of training outcomes, is a complex set of governance arrangements. The regulation of the VET sector is fragmented between jurisdictions, with

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74   Manufacturing Skills Australia, *Exhibit 1*, p. 14.

75   OECD, *Learning for Jobs OECD Reviews of Vocational Education and training: Australia,* November 2008, p. 28.

76   *Skills Australia, Industry leadership: the next step*s (preparatory paper for Strategic Industry Forum, 20 February, 2009), p. 10.

77   NCVER, *Transcript of Evidence*, 22 July 2008, p. 7.

variations between states on registration, accreditation, auditing and monitoring of performance standards.

2.81   The Government has announced its intention to build a national system of 'qualifications, fees, income support and regulatory oversight'.[78] As noted above, Skills Australia is currently considering advice to government on VET governance.[79] The outcome of the Skills Australia review should provide options to reduce the complexity in the current arrangements and address inconsistencies in implementation, accreditation, and quality.

2.82   On 20 February 2009, the Strategic Industry Forum, identified strategic industry leadership, quality, funding and equity, and evidence based policy and planning as four areas that require collaborative and focused attention. As a result of the Forum, further work on these four themes will be coordinated by a Working Group, under the auspices of Skills Australia.[80] It is notable that, among other things, the lack of data on industry investment in VET was raised as one of the shortcomings of the existing system.[81]

2.83   In the interim, on 5 March 2009, the Minister for Education announced the formation of a single tertiary education sector ministerial council.[82] This is intended to achieve better alignment and inter-connectivity between VET and higher education. The Minister also announced an Australian Qualifications Framework Council commission to improve the articulation and connectivity between the university and VET sectors to enable competency-based and merit-based systems to become more student focused.[83]

2.84   Industry Skills Councils are providing input from industry stakeholders to Skills Australia and rationalising training packages to improve portability. It is too soon to evaluate the success of these reforms.

78   The Hon Julia Gillard MP, *Speech,* Big Skills Conference, Sydney, 5 March 2009.

79   Skills Australia, *Discussion Paper: Future Governance of the National Vocational Education and Training System,* 2008.

80   See, *Skills Australia, Industry leadership: the next step*s (preparatory paper for Strategic Industry Forum, 20 February, 2009); *Strengthening our skills base in uncertain times*, (Communiqué issued following Strategic Industry Forum, 20 February 2009)

81   *Skills Australia, Industry leadership: the next step*s (preparatory paper for Strategic Industry Forum, 20 February, 2009, p.10.

82   The Hon Julia Gillard MP, *Speech,* Big Skills Conference, Sydney, 5 March 2009.

83   The Hon Julia Gillard MP, *Speech,* Big Skills Conference, Sydney, 5 March 2009.

2.85   Review and reform of the VET sector should take account of a gap in statistical data that appears in monitoring the overseas and domestic activities of private sector providers of VET.

2.86   However, two areas appear to require attention. First, a serious allegation has been made in relation to the overseas activities of some private RTOs. Second, there appears to be a statistical gap in the monitoring of the domestic activities of private RTOs.

2.87   In relation to the first matter, it remains unclear whether difficulties forming partnerships between TAFEs and their Chinese counterparts, referred to by TAFE Directors Australia, resulted from insufficient standards required of VET providers to overseas students, insufficient monitoring of service delivery against these standards or both.

2.88   **It is of concern that export opportunities for the VET sector may have been compromised by the activities of some providers. As a matter of urgency, DEEWR should ensure sufficient standards and monitoring of providers will identify any future activities of both public and private Australian exporters of VET services that could reflect adversely on the quality of the sector.**

2.89   On the second matter, while the OECD has commented positively on the range and depth of VET research and analysis, services from private providers are not reflected in NCVER data. This is a potentially significant gap in information available to government and consideration should be given to requiring that private RTOs provide relevant data to NCVER as a condition of registration. This issue could be taken up by the Working Group established by the Strategic Industry Forum, however, it is also open to the Government to act to overcome this gap in data collection.

Recommendation 2

2.90   **That the Department of Education, Employment and Workplace Relations, in consultation with the National Centre for Vocational Education Research (NCVER) and stakeholders, ensure that provision is made to capture and incorporate private sector vocational education and training data into NCVER analysis.**

2.91   The Committee supports pre apprenticeships, which provide a valuable experience for young people choosing a future career path and assist industry by preparing young people for work. Mature age

apprenticeships also help to fill skills shortages and increase
workforce participation.