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Official Committee Hansard

**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON EDUCATION AND TRAINING

**Reference: Vocational education in schools**

THURSDAY, 27 MARCH 2003

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON EDUCATION AND TRAINING**

**Thursday, 27 March 2003**

**Members:** Mr Bartlett (*Chair*), Mr Sawford (*Deputy Chair*), Mr Albanese, Mr Farmer, Ms Gambaro, Mr Johnson, Mrs May, Mr Pearce, Ms Plibersek and Mr Sidebottom

**Members in attendance:** Mr Bartlett, Mr Farmer, Ms Gambaro, Mrs May, Mr Pearce, Ms Plibersek, Mr Sawford and Mr Sidebottom

**Terms of reference for the inquiry:**

To inquire into and report on:

The place of vocational education in schools, its growth and development and its effectiveness in preparing students for post-school options, with particular reference to:

- the range, structure, resourcing and delivery of vocational education programs in schools, including teacher training and the impact of vocational education on other programs;
- the differences between school-based and other vocational education programs and the resulting qualifications, and the pattern of industry acceptance of school-based programs;
- vocational education in new and emerging industries; and
- the accessibility and effectiveness of vocational education for indigenous students.

**WITNESSES**

**BALZARY, Mr Steve, Director, Employment and Training, Australian Chamber of Commerce and Industry ..... 207**

**NICOLSON, Ms Mary Helen, National Manager, Business and Industry School to Work Alliance, Australian Chamber of Commerce and Industry ..... 207**

**Committee met at 9.05 a.m.****BALZARY, Mr Steve, Director, Employment and Training, Australian Chamber of Commerce and Industry****NICOLSON, Ms Mary Helen, National Manager, Business and Industry School to Work Alliance, Australian Chamber of Commerce and Industry**

**CHAIR**—I declare open the public hearing of the inquiry into vocational education in schools. I welcome Mr Balzary and Ms Nicolson from the Australian Chamber of Commerce and Industry. Thank you both for joining us today and for your submission, which I found very helpful. As a formality, I need to remind you that proceedings here today are formal proceedings of the parliament and warrant the same respect as proceedings in the House. I will ask you to make some introductory comments and then we will proceed with questioning.

**Mr Balzary**—The Australian Chamber of Commerce and Industry welcome the opportunity to talk directly to the committee. This is a particularly significant issue for industry and the future of Australia. We have been active in all of schools industry relationships and arrangements now for a number of years. In fact, we developed some years ago a schools industry policy. Therefore, we would say that your inquiry is timely, because we have reached a point in the growth of vocational education and training in schools where we need to have a stocktake of where we are going and where we should go to.

The explosion of numbers in vocational training, as far as we are concerned, is a great thing. Having 250,000 students in years 11 and 12 participating directly in some vocational training has been a breakthrough. It is also very promising to know that a lot of this is in fact generated by interest from students, and their parents, to gain a workplace experience. Employers, though, have been concerned for some time now about the provision of vocational training and about the status of vocational training in relation to other forms of VET. In particular, our submission goes through some things that we would like modified in terms of the vocational training elements.

Firstly, in our view, the role of vocational education and training is a taster for students to examine some of their alternative career paths. It is not an end in itself and it should be seen as such. The first point I would like to make is that vocational education and training needs to be seen in the context of other activities within the school environment. It is not a stand-alone. It is quite different in terms of an offering from school based New Apprenticeships and the distinctions need to be much more clearly outlined. In addition to that, we think its relativities and where it is in terms of years 11 and 12 are generally right, but there are certainly other activities that are connected to simulated business experience and other experiences that we think need to occur earlier on in school.

Secondly, in our view, the clients—that is, students and employers—primarily feel that there needs to be workplace experience. We have found that some of the vocational education and training activity within the school environment does not involve the workplace. and we think that lets students and employers question the quality of that vocational experience. Therefore, we would like to see some modification of the training package and VET rules—and I will get to that later in the questioning perhaps—so that it is a requirement to involve the workplace.

In the end, we think the best way to provide vocational education training in schools is to have a partnership between the school and a TAFE or another VET provider. If the provision of VET in Schools is done purely by the school, we think that creates an issue of quality. That is not to say that schools cannot actually provide part of that experience, but we think that, in the end, TAFEs and other private providers are often better placed to deliver VET more generally. In the end, we also think there obviously is a role for school based New Apprenticeships. We think that school based New Apprenticeships are particularly important at the end of year 12 as an experience because that is a much more formal qualification and it is also much more formal in the sign-up of someone in a contract of training.

I guess the relativities and the difference to us would be that VET in Schools is an experience to look across a range of industries. It is unpaid, but it has to be rigorous and structured and have the same qualities of a VET course. School based New Apprenticeships is a formal arrangement that involves a contract of training and therefore is seen to be getting a young person onto a career path.

**CHAIR**—Thank you for those comments. You mentioned both in those introductory comments and in your submission the issue of industry confidence in the qualifications and you said that industry generally feels happier if the schools are working in conjunction with TAFEs or other RTOs or other providers. Are there alternative ways that you could suggest that industry confidence in school based VET could be raised with those courses being offered within the schools?

**Mr Balzary**—This is all generalisation because you are looking at a provision that is very localised but, in the end, our view across all of our industries, particularly the traditional trades, has been that it is in fact a three-way street. It needs to have the cooperation of the school, it needs to involve the workplace and, in our view, it is better placed to have experts in training delivery and off-the-job components, which generally sit much more in TAFE or private provision rather than necessarily in schools. That is our general model because, in our examination right across all the VET in Schools activity, that is what works best. That is not to say that, in some instances, where a school has developed particular expertise in the provision of one of the qualifications, there would not be a direct relationship between the school and an employer. But you have to have at least those two things and preferably the third.

**CHAIR**—How significant is the issue of industry experience? You mentioned in your submission an example that works in Victoria of extended work placements for teachers. Would that resolve the problem of industry confidence in school based qualifications? Perhaps you can expand on how that project works, if you do not mind.

**Mr Balzary**—That would be good. In the broad, the issue is not only about the provision and the expertise of individual teachers but also about how VET is delivered and making sure the quality of VET is seen to be the same within the school environment as it is generally in the work force. That is what puts the pressure back on the school to maintain that standard. There is a range of mechanisms and ways to do that, one of which is our partnership option that we talked about earlier. The other one is about exchanging and involving teachers much more with industry. We also have arrangements like that involving TAFE coming into industry as well.

**Ms Nicolson**—If we could drill down a level there, I think there are probably two elements which are critical from an industry perspective for a successful VET placement for students.

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One of them, as Mr Balzary has already mentioned, is the compulsory element of work placement. We have found across Australia that there is a great degree of variance between students and the experiences they have in actually going out and doing a work placement. There is a lot of pressure on employers at the moment to achieve those work placements.

The Teacher Release to Industry Program that operates in Victoria provides an excellent model. The work placements operate over a period of about six to 12 months. The teacher leaves the school and does a placement in industry, but there is an obligation on them to return to the school at the end of that. The teacher is able to achieve a qualification. So it is not just as if they are going and getting experience of industry; they are also looking at a general business approach. So it might not even necessarily be something in the area that they directly teach in; it is that general understanding of business and the way in which it operates. We have found that that model has been really good. As for the way that it is paid for, I think it is about half and half: industry pays for about half and the education department pays for about half. It has been a very successful model. For a small investment the education department is allowed to have access to this experience and for a small investment on the part of employers they get a fresh mind—an organised mind that is usually a teacher's—and a fresh approach to their business.

**CHAIR**—Is it organised centrally between the department of education and the Victorian Chamber of Commerce and Industry or is it organised locally or regionally between individual schools and businesses?

**Mr Balzary**—It is a combination.

**Ms Nicolson**—It is a combination, but I think that a lot of the placements are organised and mentored through the Victorian Chamber of Commerce and Industry.

**Mr Balzary**—I have two points. One is that we find we have more calls for the placements. In other words, the funding is limited. That means that there are always more teachers that want to do it than there are employers that want to have the teachers, so that limits it to the extent to which you can actually undertake this activity. The other point is that there is a perception that this in fact leads to leakages from schools to industry. We have found through the Victorian exercise that in fact over 90 per cent of the teachers return to the school environment, which is important, so the schools are getting a benefit, rather than the teachers using it as an avenue out of their teaching career.

**Ms Nicolson**—About 50 teachers a year partake of that program.

**CHAIR**—Are you are aware of any other states doing the same thing?

**Ms Nicolson**—I am aware across the jurisdictions of limited teacher release to work programs, but usually they are of a shorter duration—about one to two weeks—and teachers are expected to do them during their school holidays. I think that the Victorian model is probably the best.

**Mr SAWFORD**—I accept your analysis of the current situation in terms of needing the triumvirate of the school, the resident training organisation and industry. Coming back to your inquiry, we do have a comprehensive education and training system in this country. What if we had a differentiated system? Would VET work better in a differentiated system? Under your

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policy objectives, you make the point about creating competitive conditions that enhance user choice. Is that more difficult to do in a comprehensive system rather than a differentiated system? In terms of funding, you talk about the range, structure, sourcing and delivery of VET. Would it not be easier to get more effective funding in a differentiated system rather than a comprehensive system? There are three questions, but there is really only one.

**Mr Balzary**—Yes, there is a theme. In terms of models, one of the outcomes that we would seek—we have looked at a range of other countries—is maximising pathways for individuals. What we found in terms of differentiated systems—the term you used today—is that there was a bit of pressure to channel kids in through particular pathways. This is trying—and it also has some connection back to what I talked about as the purpose of VET in Schools, which is different from school based New Apprenticeships—to provide opportunities for tasters for individuals in some degree of a structured environment. That means that they potentially participate in a range of workplaces under a range of training packages, making sure that they get the qualification in terms of it being attributed towards their tertiary entrance, if they wish to go to university. Otherwise, they may wish to have some arrangement through the traditional trades or they may use it for a pathway for a short-term or for a five-year duration through personal services, retail and others.

So our view in going through and making judgments has been about opening the system up rather than allowing certain schools to provide narrow based pathways. That is not to say that it only occurs that way in all arrangements like that. It is also about trying not to have separate systems. Having VET in Schools seen the same way as other VET is the critical test. I would be concerned if we created two systems again with different forms of VET seen differently by employers.

**Mr SAWFORD**—But do you not accept that we have had 25 years to do this? The Karmel report is 30 years old this year. A lot of comprehensive high schools were academic high schools and just changed their names; they did not do anything. The basic courses they offered did not change, and that remains the same today, so that recommendation had no impact on them at all. In a sense, some of the old technical schools were superior to the academic high schools because they offered both—good VET and good academic work. In fact, many of those schools were doing far better—they had much better teachers and principals and a more vigorous system, were far more competitive and had the faith of the public. The single system, particularly in public secondary schools, seems to have lost that faith. The community seems to have lost faith in the single comprehensive school; people are calling out for a differentiated system. The UK is going through this now—in fact, Blair has said quite often, ‘We need a better system than the comprehensive high schools.’

**Mr Balzary**—But don’t we want all schools to offer vocational education and training activities for all of their students? In the end, we want this to be offered right across all schools. Whether or not you have a general view about all schools being under that model, I am not sure, but in the end kids and parents in this country value workplace experience. They value an opportunity that is recognised through the tertiary entrance score so that it does not cut off their options. Our view has been that all students should be offered that opportunity in all schools. That is already operating in private schools, independent schools and public schools, and the issue at the moment is how to make sure that there is a quality arrangement across the whole system rather than just in particular schools. Our pressure has been on providing that opportunity everywhere.

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**Mr SAWFORD**—The reality is that even in New South Wales, which is probably a bit ahead in VET in some respects, only a third of students get accredited VET. That is after 25 years. It is not a great figure, is it?

**Ms Nicholson**—It really depends on what outcome you are trying to achieve. If you go back to that period of 25 years ago—

**Mr SAWFORD**—I am not suggesting that you go back.

**Ms Nicholson**—The point I am trying to make is that students were locked into really specific pathways. The change in the whole idea of what VET is and how VET takes place in schools these days is quite incredible. The number of young people we come into contact with and the range of different combinations of skills they come out of school with are quite incredible. It is a completely different landscape. That differentiated model works quite well when you have students going through really specific pathways where they are locked in, but young people these days have a lot more options open to them. Picking up on what Mr Balzary said about VET being more of a taster, a student not achieving an accredited outcome is not necessarily a bad thing from an industry perspective. If they have had exposure to industry and experience of industry, that is a good outcome.

**Mr SAWFORD**—I would agree.

**Mr SIDEBOTTOM**—Thanks for your very interesting submission. What you are saying about workplace learning and workplace experience is absolutely crucial—you are quite right—you put enormous demands not just on the school to provide that but also on the business. I can imagine having a small or medium sized business and having to deal with this as well as with all the vagaries and difficulties of running a business and whatever else. You also mention that a lot of businesses still do not even know about VET, which is quite an interesting fact. What incentives do you think could be offered or are offered—you might expand on that—for businesses to take on VET students and give them that very worthwhile experience? I take on board your quality assurance comments; I think that is well and truly a major issue. The second thing is: what do you think is required of businesses and employers to upskill themselves? You might say it is the workplace, but it is the experience of students going into the workplace—communications skills and all that type of thing. That really is a major factor to working out at this partnership. I would be interested in your comments there.

**Mr Balzary**—Obviously small and medium sized enterprises have been one of our primary drivers. Certainly there is a range of employers participating at the moment in these local arrangements through ECEF, the Enterprise and Career Education Foundation, through some of our activities and elsewhere. In the end, we see this as connected to a broader issue to do with the population and where the country is broadly going. There is no doubt that in five to 10 years time the supply of young people coming through the system will not meet the demand for labour. So one of the issues will be for employers to get in earlier and try to get the best and most suitable people for their workplace. I start with the broad because, in the end, that will significantly change the motivation of a number of enterprises.

We have had interest from regional areas: a lot of employers in those communities see it as an imperative to actually keep some of the young people within their communities. So there is strong interest from small and medium sized enterprises in those sorts of areas. More generally,

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others see it as a way to contribute and as part of a broader arrangement. They also see it as a sifter. When they put people on schools based New Apprenticeships and other arrangements, they see it as a connector in their general recruitment. In the Commonwealth, financial incentives are provided for schools based New Apprenticeships. We think that was a good move by the federal government. It provided some incentives to go into that formal arrangement and recognised the difference between the former arrangement and VET in Schools.

In VET, we would see it as more important to have support for employers. We did a study some years ago and basically, besides the element of understanding more about what it was, the second element was: if I get into difficulty who is going to help me? I think we have gone some way to addressing that issue, but if we are expanding—and certainly the numbers of students are expanding—and employers see a need, particularly if it is credible, we will need to have much more support out there for employers in small and medium sized enterprises to better connect with the schools. Already, employers are dealing with schools in a range of areas, whether it be the parents themselves, some sort of sponsorship or an involvement in sport or other things. This is just another mechanism to build on that. The support of that arrangement is vital, because without that we think there is a problem. It is also important that, in the end, if something goes wrong or if there are challenges from the employers' point of view, there is someone on their side they can turn to.

**Ms Nicolson**—The only thing I can add is that, rather than it being a question of incentives, it is a question of how to engage employers. The one thing that comes through all the time is the marketing angle—making employers aware of the possibilities and that taking a student on is an investment in your future and a business decision. It is a one-stop shop approach, because so many employers are approached—and this gets back to the support mechanisms mentioned by Mr Balzary—by a whole range of people from the schools sector: people looking for work experience, people looking for VET experience and people trying to organise schools based New Apprenticeships. From an employer perspective, they are constantly getting different approaches. If there could be some streamlining from the schools side of things so there was a consistent approach to employers, that would also be very useful.

**Mr Balzary**—I will just touch on another two issues. You mentioned employability skills. We did some work with the Business Council of Australia in defining employability skills. We can make that matrix available to the committee if you wish. In the end it has two strands. The first strand is a precise arrangement for skills, which clearly outlines the sorts of generic skills that are required by business: teamwork, being entrepreneurial and a range of things. The second—and, for some, the slightly more contentious—area in terms of education is about defining attributes. Those attributes are things like honesty, integrity, punctuality, a sense of humour—a range of things that are really more about references and what people are on about. That has been a very useful tool. It got debate going not only about the role of VET in Schools and, generally, about employability and the role of general education in preparing young people for work but also about how the system and the curriculum respond to preparing people for work. That is a primary driver in how that applies right across all general education.

The other point that was mentioned there was the impact on business of young people coming in. Some of our research has shown that a young person can have enormous impact by questioning current practices—which does not always go down well but certainly it is quite interesting in terms of dynamics. But, in changing that arrangement, it is quite useful. I know that other research undertaken by some of the state governments has shown that one of the

biggest impacts on VET in Schools arrangements is the supervisor or nominated person looking after the student: how positive that has been for the student and how it has filtered through in the way they view the workplace, themselves and the employer. So there are a range of spin-offs in all of this that are quite good, particularly for medium sized firms.

**Mr FARMER**—This committee has taken evidence from a raft of various groups. It seems that one of the problems school students face is this transition from school to trying to get to the workplace or TAFE on time. They are moving from being a student where everything is regulated for them—they hop on the school bus or get a lift to school, they are at school, they are fed information and then they go home at regular hours—to being in the workplace, which is a completely different environment, as is TAFE to a large degree.

One of the things this committee inquiry has thrown up is school versus TAFE—who is better suited to head up this course—and how that might be addressed. Should we look at taking a block of time out of year 10, year 11 or year 12, depending on when the school determines that it wants to adopt VET—maybe set aside one month—during which students will not go from school to TAFE to spending a couple of days on the job or whatever but will be totally locked into the work environment? In that case we would not have transition periods, so we would not have to worry about parents trying to get students to their jobs on time. We would not have to worry about students switching backwards and forwards between school, TAFE and work virtually within the same week. I would like your opinion on that. One of the things we are trying to determine is whether—because this comes down to a matter of funding—VET is better suited to TAFE or school or whether the answer is that it should be shared by both.

**Mr Balzary**—Again, I might reply broadly and let Mary talk specifically about timetabling and all the in-depth issues. The reason we make a distinction between VET in Schools, school based New Apprenticeships and broader VET is that, in the end, we want people to stay at school so that they get their literacy and numeracy skills up and get their general education. It comes back to the point I made to the deputy chair: it is about providing maximum pathways. If we narrow people down too early I think it creates all sorts of difficulties for individuals later on in their working lives. Breadth of purpose and breadth of opportunity are critical.

The reason we have gone for the combined partnership approach is in fact to maximise that and to maximise the role of teachers, who are very good at general education and are very good in that area whereas TAFE and other private providers are very good in the VET revision. So it is trying to get that partnership. We would be concerned if we streamed people through that arrangement, because that would create all sorts of problems as to where that goes, but I think it could be done in a partnership context.

The other issue is how this is done. The reason we have pushed for more flexible arrangements is that we are finding employers are not always liking a block. Some employers prefer blocks of time, and some of the students do that within their school holidays anyway; some prefer to do that on weekends; and others prefer to do that with a combined on-the-job and off-the-job component where one day a week—say, a Friday—is given up clearly for that sort of activity. So, from our side of the table, putting on a straitjacket and saying that it has to be done in a certain way probably creates more difficulties, particularly if we map that against an increasing demand from students and needing to create more places from the employers' point of view.

That is not to say that the model you are talking about should also be discounted, because I think in fact that would certainly solve a number of problems for some employers. We are finding, particularly in the traditional trades areas, that some employers, for a range of reasons, are not quite sure about where this sits, and we have varying degrees of interest. Part of that is about getting someone in the workplace with a degree of skill up front in terms of OH&S and other arrangements. So that model—having that as a big block—is quite useful for some of those more traditional trades areas, but it is about the flexibility arrangement.

One of the things that we are saying is that students are already in some instances working part time and are getting themselves to the workplace. Most of the people around this table probably drop their children off, like I do, every Saturday morning, which creates a bit of an impression on them—but I will certainly not be doing that forever. That is the sort of thing that creates a bit of pressure on the household. If you can actually do it from the school's point of view and get a number of people within one stream, that is actually quite important as well. So we are finding that schools are beginning to specialise in certain provisions—not to the degree of tech schools—and say, 'We offer three or four different pathways here and these are the sorts of things that we are good at.' That means they then have a larger number and they can then negotiate better over their timetabling. Mary might want to talk about the specifics.

**Ms Nicolson**—I think the member is quite correct in saying that students' lack of preparedness for the workplace has been identified as a problem in bringing students into the workplace. If I could go to the broader transition agenda here, I do not believe that a one-month block is necessarily going to be a solution to that problem, although it could be one model that could be considered in a range of models. Quite often some of the problems that are faced result from the fact that a student's acquisition of general employability skills is developmental, so you cannot say that at one point in time someone is honest or totally honest or that someone is reliable or totally reliable. So part of the problem stems from the fact that it is developmental. Certainly in my experience there has been a lot of dedicated and well-prepared teachers across Australia who have really assisted students to become aware of those sorts of problems. Quite often it is just a lack of awareness on the part of students. Despite the best efforts of some teachers, students do not always listen to what the teachers say. I think that sometimes the teachers are not resourced to prepare the students adequately as well, so it comes down to time on the school timetable. A teacher might have one line out of their teaching load and perhaps the rest of their teaching load is not in this area and they are expected to do this preparation of the students in their spare time. I think that is part of the problem and part of the reason why these things happen.

The other thing that, in a very broad and general sense, will help to address this to a certain extent is the trend towards vocational learning, which has also started in schools. This is part of the nationally agreed framework for the delivery of vocational education and training in schools. This is just going back to the old commerce subject, if I can put it in terms that some of the people here might understand. What is the world of work? What is a business? How does it operate? It is those sorts of things. That is a generalisation, but awareness raising through vocational learning in the earlier years of school could help address that problem.

There is also the development of employability skills, which we are advocating and which the school system has embraced—teaching kids that range of skills. Support for teachers to have sufficient time to prepare students would also help to address that problem.

**Mr Balzary**—Could I just touch on one issue in relation to funding. It is a bit behind your question, I think, as well. We have advocated for student centred funding, which basically means that, if a student opts for a certain pathway, not only does that funding follow the student but also it goes to the provider of their choice. The reason for that is that we have found, through the various ministerial task forces, that the issue of funding between the two sectors is so entangled in the effort from both sides that no-one has been able to untangle the effort.

There has been a range of consultancies undertaken, with differing outcomes. The easiest, smoothest arrangement would be, first, connecting it directly to choice and, secondly, giving an arrangement or a dollar figure to an individual to pursue a particular pathway. That puts some challenges in the funding buckets, because there needs to be some allocation out of both of them. But the question of how long an individual sits within the school environment as distinct from how long they sit in a TAFE environment or a VET environment—and having some discussion about the crossover of that and what is a full-time student and what is a full-time VET student—seems to be academic at best, and largely unresolvable.

The other issue is this: we need to provide incentives for the schools and VET institutions not to put more dollars into their own institutions. Large kitchens and infrastructure are best placed with employers rather than institutions building their own arrangements in the school or in the VET institute. That is a major issue for schools. If you do the funding and stack the funding up too far, it means that schools have an incentive to construct their own facilities. We think that is a problem because we do not think that it is generally a good usage of the public dollar. That is because, again, the focus of this should be putting people in the workplace. That is what everyone is demanding. It is a better utilisation of workplace conditions and workplace infrastructure. But I will certainly be interested in the outcomes of the committee's deliberations on funding.

**Mrs MAY**—If you will excuse me, I will ask a question on the handout you gave us this morning, and then I have to leave. I think this is touching on what you have just been alluding to. I was interested in one of your comments that the transition from education to work still seems to be cluttered in terms of programs, funding arrangements and service delivery. You might like to comment on that. I just want to go back to employers and VET in schools. In your submission, you have indicated that employers do not believe that VET in schools is reflecting local job opportunities and the skill bases that are required with employers. You make reference to an employer reference group. Is that working somewhere? Could you expand on where that is being successful and what sort of reference it is?

**Mr Balzary**—Thank you for the question. The coordination of services and programs is a major issue on the ground. We have what seems to be a plethora of activity and a plethora of programs operated at national and state level. All of them have a role, but in the end you do need a dynamic mix of programs and services. Perhaps that is less of a problem than how they are delivered in a coordinated fashion. Our view would be that it is better to concentrate on the delivery mechanisms at a local level that can overreach that. Programs will always be different. There will always be different programs at Commonwealth and state level and there will always be different emphases on them. In our view, it is more the delivery mode than any sort of arrangement.

In terms of employers, there is an issue in the VET in schools mix across the economy. There are certainly some areas that are underdone, particularly in traditional trades, as I mentioned,

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and in some of the new and emerging areas. If we can push and enhance the focus, that would be quite important. Part of it relates to resourcing. Some of these things are more expensive than others and some are simulated much more than others. For example, in some of the hospitality areas, we are finding that some of the VET in Schools activity is taking place without involving the workplace at all. When you drill down to what is actually happening there, in our view it is not a real VET in schools experience; it is some sort of vocational learning arrangement. There is nothing wrong with that, but do not call it VET and make that quite clear in people's expectations.

Certainly, from our point of view, the push should be about looking at the local arrangements. I have spoken to a number of principal forums featuring school principals, and what they want is information about their local region—what jobs are available, what the projections are locally in the region—so that they can provide that information not only to their careers teacher but also to all teachers so they can influence people in the classroom, so they know what local jobs are available and how they can better connect in terms of those arrangements.

Just as an aside, something we have also mentioned in our submission is that we know—and there have been separate inquiries into this—that careers information and advice services are probably the major weakness we have in the country. We are not alone; basically all countries are struggling with career services. I make a distinction because there has been great activity through industry, at the Commonwealth level and also by some states, to improve the information for students through Internet services like myfuture and other things. Some of that has been a tremendous improvement. It is how that is delivered on the ground within the school environment and what that means. That is part of having the information of what the local labour market is like. That would be my view.

**Ms Nicolson**—I think we need to have clarification from the member as to what she meant by the employer reference group. I can think of two ways in which we refer to employer reference groups in our submission. They are both in an advisory capacity. One is in terms of cluster management and management groups that are associated with schools. There are employer reference groups there that operate right across Australia. I think perhaps the member might have been referring to advisory groups in relation to skill shortages.

**CHAIR**—There is a reference on page 12.

**Ms Nicolson**—That is it, yes. That is the former. That is a local arrangement. This operates at formal and informal levels right across Australia. There is a range of involvement on the part of employers—I think there is for all members of the community—in these arrangements. There is a sort of cluster arrangement which is operated through the Enterprise and Career Education Foundation where schools band together. A person is employed to organise work placements and they have management committees for that. Employers are involved there. I think it is in that advisory capacity.

**Ms GAMBARO**—I want to lead off with a question about skills shortages. I think you mentioned in your submission that you were involved in the National Industry Skills Initiative. One of the problems—and you spoke about it earlier—with getting the information back through career counsellors is skill shortages and predicting those in the industry. The hospitality industry, I know quite well, needs 16,000 people in the next four years. When I speak to students, they are telling me about going into IT. In another inquiry we are doing at the

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moment—I am chair of the Joint Standing Committee on Migration—we have found that we have too many people in IT. How can industry work together with government bodies to get this predictive mechanism right? I know it has always been a bit touch and miss, and I know the National Industry Skills Initiative might go some of the way towards doing that, but it is no good having these vocational programs in schools if there is no demand out there.

How adaptive are the courses in the TAFE area and what is the changeability factor? I will give you an example that an employer highlighted to me the other day. This employer, a general auctioneer, said to me that in the TAFE system at the moment you can do real estate courses, which are great, and get a real estate licence but nowhere in Australia can you get a general auctioneers licence. As a government, how do we work with TAFE to ensure that these emerging industries are catered for?

**Mr Balzary**—There is a swag of questions there.

**Ms GAMBARO**—There are a few questions; I apologise.

**Mr Balzary**—Predicting where the labour market is going has always been difficult; I think that is generally accepted. What has not been so difficult is predicting major skill shortages. The major skill shortages in this country have largely been unchanged, certainly for 12 years. Most of them are traditional trades. Semiprofessional and some professional groups go in and out; they are the ones that move. Teaching, doctors and nursing go in and out of the top 10, but traditional trades occupations have been in it for some time. That is partly because of the transition people make through that sort of work. They go in for periods of time, move out and then go back in. The other—which the National Industry Skills Initiative is trying to address—is the need to get young people into those sorts of industries. The major thrust of NISI is to get industry to develop clear messages to young people about what is available and what the arrangements are. I think you are very aware of the work done by the Australian Hotels Association on cooks.

**Ms GAMBARO**—They have done a good job there. I actually launched that for the minister last year.

**Mr Balzary**—Absolutely. That is one initiative which has done that. We have done that in automotive retail and repair, engineering, building and construction et cetera. Getting industry to own the materials and putting those into the school environment has been particularly important. The Department of Employment and Workplace Relations skill shortages list is particularly useful. It is not widely utilised in schools. One of the things we are trying to do is push that down, at least at state level. At the moment it is done nationally and at state level; it is not done regionally. We have been raising issues around how to do that regionally. It is much more complicated, we accept, but teachers, principals, parents and others are saying, ‘Let’s break it down into some regional arrangement,’ so we will certainly be working with the Department of Employment and Workplace Relations and others to do that. That is not to say that there is no movement. On the issue of prediction, there is movement not only around what the occupation is but also on what makes up that occupation; that is what often changes. What a metalworker does today is obviously quite different from what they did 10 years ago, even though the occupation would still be on the skill shortages list.

**Ms GAMBARO**—You just spoke about the department doing its skill shortages list by state. In regard to oversupply, I read somewhere the other day that the Queensland government is looking much more selectively at not funding certain skilled categories where demand has slackened off. Do you see that as a way of achieving this? I know it is pretty brutal to take funding away from certain areas—I was quite surprised, though not surprised at the need to do something. If schools continue to provide vocational education and training in areas that are no longer relevant to today's needs, do you think that is a bit too brutal or do you think we need to get down to that sort of level?

**Mr Balzary**—I am concerned about microplanning. We can do broad predictions—and that is quite general in terms of having a framework—but if we get down to individual arrangements in certain local areas I have major issues with that. One of the reasons behind our saying that it has to involve the workplace rather than be seen outside the workplace is that, if an employer is interested in doing it, it means there is a demand. The better you link that with demand and employment arrangements, and take it out of institutions, the better you connect with local industry and its arrangements. If you put on top of that the student centred funding model we are talking about, which lets the funds flow, then there is much closer connection. If the employer is involved and it does it for the provider, it puts pressure on the provider to deliver what the employer needs. That means the employer gets something out of it, the student gets something out of it—and, thereby, their parents see that it is rewarding—and the institution delivering what industry and the students want is rewarded. It sounds simple, but it is not, of course.

**Ms GAMBARO**—It does not happen out there.

**Mr Balzary**—That is exactly right. It would push TAFEs and other product providers into delivering—changing some of their qualifications and adding to their training packages. But that is a VET issue much more generally which we are working on with the state training authorities.

**CHAIR**—Given those issues of prediction of workplace needs—such as demand for particular skills—and given the fairly rapid change in the workplace, what is the argument for generic workplace skills that are much more adaptable? In your introductory comments you mentioned a taste of the workplace. What are the relative benefits of VET in Schools taking that sort of approach with regard to those generic skills—adaptability and the basics of literacy and numeracy and so on—vis-a-vis specific industry based curriculum frameworks?

**Mr Balzary**—I might lead off on that, and then Mary can fill in some specifics. Employability skills go hand in hand with technical skills. If you divide and separate them too much you lose context. Basically, we have said that, if you have, say, a building and construction environment and you are teaching employability skills, you have a better connect. You can still teach those employability skills and bring them out, but students get the technical skills at the same time. What we do not want is an imbalance between those arrangements.

**Ms Nicolson**—I think there are two issues there. One is about the sorts of skills schools should be concentrating on providing students with. I think there is another issue about emerging industries and looking to the future—

**CHAIR**—They are interrelated, are they?

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**Ms Nicolson**—They are interrelated—and the best way to connect those two up. Should there be an emphasis on general employability skills or on industry based skills? I think there has been a little bit of misinterpretation of the work we did last year on employability skills with the Business Council of Australia. In that piece of research we identified the need for an employability skills framework and the importance of employability skills. Some new skills were identified there in terms of taking business and young people into the future and building a workplace for the future. However, it would be a misunderstanding to believe that employers still do not value technical and industry specific skills. They do value those skills. They rate employability skills as highly as technical skills, but the skills are not in competition with each other. I think that is what I am trying to say.

The other thing, then, is how you best prepare someone for a future in, say, photonics. At the moment you would not be able to get an industry placement in photonics or it would be very rare to be able to organise one. So you are not going to be able to put a student in the workplace and say, ‘Here you go, learn about photonics.’ So what should they be getting at school? Certainly, they should be getting general employability skills. I think our other major platform there is a good general education. That is the best preparation for a student to go into an industry where they might have to learn a range of new skills. If they have come through and had a good basic education, I think that is excellent preparation along with the employability skills.

**CHAIR**—But presumably you advocate, as part of that general education, or as part of VET as well, some sort of general workplace orientation skills course for all students?

**Ms Nicolson**—Yes.

**CHAIR**—You indicated in your report that you thought it would be valuable for all teachers in training to do a unit of vocational education, for instance. Do you advocate that all students—even those not doing a specific industry based VET course but, say, a one- or two-unit course—ought to be doing something that incorporates some workplace knowledge in addition to a quality general education?

**Ms Nicolson**—In an ideal world.

**Mr Balzary**—I think that, in the end, some of those key employability skills—things like working in a team—can be taught as part of the curriculum in the school environment. Some of those are being taught already. You need to do that within the school environment and lay it across the curriculum, and then you need to do it in the workplace and lay it across the workplace experience as well. Then there is a better connect. A lot of people are doing this already in their part-time or casual work, in a non-accredited environment. But, if there is some context and theory behind it, I think young people will much more readily understand how to connect their experience at school with their experience at work.

**CHAIR**—Thank you very much. That has been very helpful. You were going to send us some information, I think.

**Mr Balzary**—That was the matrix on employability skills.

**CHAIR**—We have that. Thank you. Thank you very much, Steve and Mary. You have been very helpful. Is it the wish of the committee that the documents received from the Australian Chamber of Commerce and Industry be received as evidence and included in our records as an exhibit in our inquiry into VET in schools? There being no objection, it is so ordered.

Resolved (on motion by **Mr Farmer**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 10.01 a.m.**