



WRAPS QUEENSLAND
WHOLESALE, RETAIL & PERSONAL SERVICES
INDUSTRY TRAINING ADVISORY BOARD INC

24 November 1999

Mr J Carter
Secretary
Senate Employment, Workplace Relations,
Small Business and Education Committee
Parliament House
CANBERRA ACT 6000

Dear John

Following please find WRAPS Queensland's submission for the "Senate Inquiry into the quality of vocational education and training in Australia".

WRAPS Queensland is the Industry Training Advisory Board for the Wholesale, Retail and Personal Services Industries in Queensland. As a peak authority on vocational education and training matters WRAPS Queensland has witnessed the numerous changes to the vocational education and training system.

The ensuing submission was prepared with industry input and the professional opinions of the secretariat staff. This submission has been supported by and is representative of the collective views of the Management Committee of WRAPS Queensland.

WRAPS Queensland applauds the Senate Inquiry into the vocational education and training system and is anxious for practicable and realistic measures as a result of it. If you wish to speak with me regarding this submission I am available on (07) 3249 3344.

Yours faithfully

Ashley J. Ward
Executive Officer

WRAPS QUEENSLAND

SUBMISSION TO THE SENATE EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS AND EDUCATION COMMITTEE

INQUIRY INTO THE QUALITY OF VOCATIONAL EDUCATION AND TRAINING IN AUSTRALIA

ABOUT WRAPS QUEENSLAND

WRAPS Queensland is the Industry Training Advisory Body in Queensland with coverage of the retail, wholesale and personal service industries, representing approximately 25% of the Queensland workforce.

This Senate review is timely and positioned well to take an overview position of the Australian VET system.

Whilst there has been significant progress in pursuing a national training system, it could be argued that the returns to industry are also significantly less than anticipated due to poor public policy formulation and inefficient administration.

If the Australian Recognition Framework and the validity of the Australian National Training Authority is to be sustained into the future, action is going to have to be initiated at the earliest opportunity to correct the existing and emerging deficiencies in delivery quality.

STRUCTURE OF THIS SUBMISSION

This submission has been constructed in two parts and reflects the collective experiences of a range of Retail, Wholesale and Personal Services industry partners, registered training organisations and the WRAPS Queensland secretariat staff.

Part A of the submission will address each of the provisions within the Terms of Reference in the order in which they were published.

Part B of the submission will address additional concerns and observations regarding the experiences of WRAPS Queensland in the implementation of National training arrangements. Included within this will be comments on the operationalising of National training strategies and the ability of public infrastructure management to achieve successful outcomes.

PART A

COMMENTS RESPONDING TO TERMS OF REFERENCE

- 1) *An evaluation of the place of the new apprenticeships scheme within the national priorities set for Australia's vocational education system and the appropriateness of those priorities, with particular reference to:*
 - a) *Resource allocation across the sector, between the states and territories, and within program priorities*
 - b) *Demographic distribution and equity of structured training opportunities*
 - c) *Opportunities for youth and for older people, and*
 - d) *The respective obligations of industry and government*

When evaluating the New Apprenticeship Scheme it is important to have some understanding of the objectives of the scheme, as clearly, the performance of the system must be measured against the original intent and specification. There have been confusing signals from all levels of Government as to the purpose of the New Apprenticeship System.

From a marketplace perspective, users of the system are given the distinct impression this is another attempt at a labour market program under a different guise. Whatever the situation, there is confusion about the aims, objectives and outcomes of New Apprenticeships. This theme will be developed further in this submission.

WRAPS Queensland does not analyse Commonwealth funding allocations to States and Territories, however there is a perception that Queensland does not receive funding in recognition of its decentralised nature. There is a strong case that the cost of administration, recognition, compliance auditing and other associated expenses of training deployment are higher than Victoria where the state is much smaller yet it is not as decentralised as Queensland.

The way in which the National training system has evolved, and more importantly, how it is being administered by state training authorities, has had the effect of limiting access to older and younger workers alike. Present training administrative arrangements primarily limit access to structured training arrangements to those people who are entering the system for the first time. This does not accommodate the trend for workers today to change career pathways several times in their working life. Often, this is not by choice but through the faster pace of business today removing the security of employment that society enjoyed in yesteryear. It is critical that National systems of training be able to accommodate this type of trend within the working population if it is to retain relevance into the future.

Choice within National systems of training is further eroded with the exclusion of existing workers from most government support funding. Whilst this might be politically and socially expedient, it does nothing to promote and foster a training culture within industry for longer term benefits for Australia. Governments must adopt a consistent long term approach to skills development if real cultural gains are to be made. National training strategies must include existing workers through nationally consistent funding pathways, though it is generally seen this may not be the same as a traineeship or apprenticeship.

With respect to the mutual obligations of industry and government, WRAPS Queensland is of the view that existing training administration does not clearly identify employer responsibilities in the recruitment phase. The emphasis of New Apprenticeship Centres and Registered Training Organisations is clearly on the sign up of new clients because they get paid by the numbers in training.

Often employers are not fully briefed on their responsibilities and, in some cases, actively resist any attempt to do so resulting in many cases of unsatisfactory experiences by the trainee. It is the observation of WRAPS Queensland members and staff that many trainees are inappropriately placed with employers who cannot, for reasons of resource limitations or a poor approach to their responsibilities, provide a sound training experience for the trainee. This is rarely noticed early in the training cycle with the result that further pressure is placed on completion rates.

There are many fine examples of employers fulfilling their responsibilities to a high professional standard, as indeed most do, however it is an unfortunate fact that the system will be judged on its failures rather than its successes.

- 2) *An evaluation of claims that the key objectives of the original new apprenticeships scheme, as agreed by the states and territories, are not being met, and specifically whether:*
- a) Training outcomes are of a diminishing quality
 - b) Older people rather than younger people and new entrants to the workforce are the main beneficiaries of new apprenticeships
 - c) The system is more rather than less complex, and
 - d) The system is being driven by financial incentives and targets rather than the needs of industry

WRAPS Queensland is aware of a disturbing number of reports and anecdotal incidents that suggest strongly that the quality of training is in decline. There are many reasons for this including:

- ❑ The uncontrolled growth in the training market
- ❑ Registered training organisations established on minimum standards and the reduction in 'education' qualifications among training providers. Too many RTO's are becoming recognised on Workplace Trainer and Assessment qualifications rather than teaching qualifications. This has led to a widespread lack of understanding and commitment to learning processes by many RTO's to the detriment of their students.
- ❑ National Training Packages are too broad, and coupled with the elements of the previous point, result in delivery inconsistencies and a general lowering of quality.

National Training Packages are more about recognition of competencies than about learning and skills acquisition. In a move to open access to training packages, ANTA have developed a generic product that does not meet the needs of industry at the point of delivery. Interpretive language, lack of specificity and educationally unsound Performance Criteria conspire to devalue what should be a premier product. Performance criteria in the National Retail Training Package refer constantly to Store Policy and Procedure. Many small businesses do not have policies or procedures and, where they do, it may not be to industry best practice standards. Provision must be made to ensure that trainees achieve a consistent outcome and are exposed to industry leading edge best practice through the learning environment. Coupled with the above, fully on the job training has resulted in widely varying training experiences by trainees. Industry is of the view that the best training experience is where both on and off job training are used in tandem.

- The funding model used to support structured training arrangements is fundamentally flawed in that it is not modeled on real delivery costs. Rather, it is an administrative fee that has fluctuated from \$1000 to \$2100 over the past three years. This does not promote quality training delivery and it is critical that a sensible, consistent and 'real cost' model of government funding for structured training arrangements be developed and adhered to.
- Queensland legislation does not have sufficient authority accrued to the Department of Employment, Training & Industrial Relations to enable it to maintain commercial discipline of RTO's. Consequently, it is extremely difficult for DETIR to deregister RTO's, taking up to two years in some cases. This area is a delicate balance between not enough regulation and too much and doubt has been expressed by some stakeholders that DETIR have the resident skills to properly manage this area.

With regard to the complexity of the system, the stakeholder view is that it is over complex. However, this has more to do with government accountability processes than intrinsic complexities. The main complexity has been in the pace of change that, by any objective measure, has not been effectively managed by government.

Policy direction has taken on an overtly political hue with different administrations changing senior department managers, who in turn change general managers and of course, it is de rigeur that a restructure occurs at the same time.

When this occurs valuable intellectual capital accrued by managers and department officers is nullified resulting in tentative management and poor decision making. In effect, this sponsors a defacto policy of 'policy on the run'. This has also had an impact on the quality of administration and the ability of the department to effectively manage operational changes.

Industry constantly hears of an industry driven process being touted by ANTA and other leading lights of the training agenda. Acceptance of this view is hard to sustain when initiatives such as national training packages arrive on the scene without any meaningful consultation with industry practitioners. ANTA consulting the captains of industry does not necessarily give an industry viewpoint with widespread support – this can only be achieved through widespread consultation. ANTA frequently places unrealistically short time frames for responses resulting in limited, if any, consultation with those who have to implement the initiative. This creates frustration in the Department, industry practitioners and RTO's, and fosters the common view that ANTA is arrogant, anachronistic in its approach and out of touch.

With respect to the demographic makeup of the trainee population, the focus on new entrants to the workforce and older participants should come as no surprise. Politicians, partly in response to the media, measure their performance by the unemployment rate. It is not overly harsh to suggest that VET funding has been used almost as a 'slush fund' to reduce the reported unemployment rate through a variety of initiatives and programs. This ignores the new reality of technology driven job displacement and removes the need for government to take the politically difficult decisions in education and social support. VET funding must be used as a strategic resource for Australia and be focussed on improving the national skills base rather than simply improving traineeship numbers at any cost.

- 3) *An assessment of the quality of provision of technical and further education (TAFE) and private providers in the delivery of nationally recognised and non-recognised vocational education and training (VET) services and programs, including:*
- a) *The adequacy of current administration, assessment and audit arrangements for registered training organisations and the credentials they issue*
 - b) *Processes for the recognition of registered training organisations, the effectiveness of compliance audits and validations of registered training organisations, operations, and sanctions for breaching the conditions of registration*
 - c) *The level and quality of VET occurring within registered training organisations, including TAFE, private providers, workplaces and schools*
 - d) *The extent to which employers of apprentices are meeting their obligations to deliver training on the job, and the adequacy of monitoring arrangements*
 - e) *The range of work and facilities available for training on the job*
 - f) *Attainment of competencies under national training packages, and*
 - g) *The reasons for increasing rates of non-completion of apprenticeships and traineeships*

The audit processes used by DETIR in Queensland are seen as adequate to the task, though more work needs to be done in providing a more consistent model of audit conduct.

Assessment practices used by many RTO's are not seen as being of sufficient rigour for the AQF qualification being issued. National training packages do not provide a sufficiently strong framework for assessment. It would seem that ANTA's design requirements, that seem to be sponsored by a view that training be accessible and achievable by all (a laudable principle), have resulted in assessment provisions that are rich in rhetoric and 'motherhood statements', but have little real value. Given the poor funding situation for RTO's allied with business considerations, it is not surprising that RTO's take a minimal position when interpreting the assessment provisions within the training package. Assessment determines the output quality of the qualification and needs to be succinctly specified within training packages.

The quality of VET delivery is highly variable between RTO's, including TAFE and schools. WRAPS Queensland holds concerns that the approach to VET in schools will need to change and that delivery provisions accepted for the VET sector be applied unchanged to the schooling sector. This is not being done at the present time as schools in particular are not resourced appropriately to transition effectively.

Government will need to rethink strategies and funding models if vocational education in schools is going to be a sustainable and viable option into the future.

In particular:

- Secondary school regulatory bodies need to shed their academic bias and entrenched 'academic snobbery' so that VET will have equal standing with academic streams. VET should be seen by students as an equal choice to academic pathways rather than a 'second best option' alternative.
- Government will need to appropriately fund school based vocational education and recognise the additional imposts faced by schools when coordinating and administering VET programs. Reductions in ASTF grants and the intention to phase out funding support in this area fails to recognise the valuable data that accrued through the Australian Vocational Certificate projects that determined the need for school based coordinators.

With regard to fully on job training, Queensland's experience is accurately captured within the Schofield Report. On job training has been introduced as a response to industry needs, however the model of training administration that underpins this mode of delivery is inadequate and needs urgent review.

- 4) *An examination of the impact on the quality and accessibility of VET resulting from the policy of growth through efficiencies and user choice in VET, with particular reference to the:*
- a) *Viability of TAFE, particularly in regional Australia*
 - b) *Quality of structured training*
 - c) *Quality of teaching*
 - d) *Appropriateness of curriculum and learning resources*
 - e) *Range and availability of student services, and*
 - f) *Effects of fees and charges on TAFE*

WRAPS Queensland supports a strong public provider in the VET sector. This does not mean that there cannot be equal opportunity for private provision, rather it captures the need for a public provider that meets community expectations.

WRAPS Queensland is of the view that it was a mistake to 'commercialise' TAFE Institutes rather than promote systemic efficiencies and a strong client focus through more effective management and HR policies. Commercial success is one measure of a business and not necessarily the right one when considering the importance of the function of the public provider.

The gaining of efficiencies thereby freeing up funds for further training has sponsored a continuing pressure on the price being paid for training. A feature of this has been the benchmarking of prices based on competitive tendering bids received from training providers that could, by virtue of high levels of public funding or reserve funding, practice 'overhead shifting' and 'loss leader' marketing techniques. Rather than efficiencies this practice has resulted in a lowering of delivery and outcome quality, inspired more training providers to set aside quality processes and systems in favour of the 'quick and dirty' solution and provided, for many RTO's, the seeds of business failure. Many Queensland TAFE Institutes would have been declared insolvent if not for active Government short term additional funding, in part because of inadequate pricing being paid for training in the name of achieving higher efficiencies.

The problem seems to be the definition applied to efficiency – rather than take a holistic view to establishing efficiency and performance measurement, the Queensland Government chose to use cost minimisation and numbers enrolled in training as the sole measure of how efficient the system of training is. This is a management deficiency that has yet to be corrected. Within reason, costs need to be a secondary efficiency measure and training administrators should focus on measures such as completion rates and outcome quality as the basis of a primary measure of performance.

Comments from stakeholders indicate that TAFE has suffered a 'brain drain' as a result of several pogroms where VER's were offered to permanent teachers and managers with replacement teacher requirements filled increasingly with casual and part time teachers. Teachers who, over many years, built up a considerable intellectual and knowledge base, are now denied to TAFE in many areas.

This removal of intellectual capital from TAFE was primarily because of the lack of success of industrial negotiations that sought to free up the strictures that govern the use of teachers in a campus environment.

- 5) *An evaluation of the provision of Commonwealth and state employer's subsidies, including:*
- a) The effectiveness of existing subsidies arrangements in meeting national VET needs
 - b) The impact of changes to the new apprenticeships policy, which broadened employer trainee subsidies to include existing workers, and
 - c) Accountability and audit procedures within the Department of Education, Training and Youth Affairs, the Australian National Training Authority and state training authorities

The continued availability of subsidies is seen as a critical success factor in the growth of the training market. There needs to be debate as to how future subsidies should be structured. Contemporary management wisdom indicates that lump sum subsidy payments do not remain much of an incentive for long after they have been received. Perhaps more success would be achieved if subsidies were paid to the employer on the trainees successful completion or funding for replacement staff could be paid whilst the trainee was off site undertaking training? The current system of subsidies is seen as having limited value and should undergo some reform.

There needs to be continued and greater support for existing workers. The system cannot support the development of a training culture in industry if it seeks to exclude existing workers. With the frequency of career changes increasing, it is incumbent on the Government to provide a policy framework of inclusion that recognises the needs of workers forced, through a variety of reasons to seek employment in a different field.

The audit processes used in Queensland by DETIR are seen as being adequate as a result of the recent changes sponsored by the Schofield Report recommendations. Having said that, it must also be said that audits do not guarantee quality of provision – it merely identifies those providers in breach of their registration or user choice responsibilities.

- 6) *An evaluation of the growth, breadth, effectiveness and future provision of vocational education in schools, including:*
- i) *The quality of provision of VET in both government and non-government schools*
 - ii) *The relationship between vocational education in schools and accredited training packages*
 - iii) *The effectiveness and quality of curriculum materials and teaching*
 - iv) *Accountability provisions for the funding of vocational education in schools, and*
 - v) *School to work transitional arrangements*

VET in schools is turning into a major issue and a policy challenge to State Training Authorities, Boards of Study and Departments of Education nationally. WRAPS Queensland would like to make the following observations:

- Schools are inadequately funded to properly manage vocational education and training
- Schools generally cannot meet the human and physical resources required under training packages due primarily to funding difficulties (though there are some very good examples of cooperative programs with private and public providers).
- Private schools are generally better equipped to manage vocational education and training due to generally better funding, ability to make local decisions and the ability to formulate their own policies. Innovative local solutions tend to be more a feature of VET in private schools
- The access to long-term professional development by teachers needs to be improved
- Provision needs to be made for VET teachers to be funded in parallel with teachers who deliver traditional subjects.
- VET in schools needs to have equality with academic subjects for the purposes of tertiary entrance.
- The experience and knowledge gained from the Australian Vocational Certificate Projects need to be used in the formulation of any funding framework, particularly that which relates to the coordinator/student ratio.
- The workload of students needs to be carefully monitored so that undertaking a VET program will not simply be an additional study load to existing subjects.

7) *An assessment of the consistency, validity and accessibility of statistical information on the performance of national VET systems, especially relating to apprenticeships and traineeships*

Australia spends inordinate amounts of energy and funding on national reporting systems that, by any objective measure, are good only for academic treatise. It is questionable whether the expense involved is supported by the benefits that accrue. Certainly, ANTA and NCVET are producing a seemingly endless stream of glossy reports, analysis and statistical breakdowns, but to what end?

Not only are available statistics often contradictory, they are often out of date and provide little value to the majority of VET stakeholders.

WRAPS Queensland is of the view that the collection, compilation and analysis of statistics is important but questions the national effort and expense needed to complete this task. The focus of any investigation in this area needs to also reside with the ability of the State Training Authorities to make effective use of this information. There is a very real feeling of information overload by most stakeholders with regard to statistics.

SUMMARY

Much has been achieved over the past several years in implementing national training reforms and designing and rolling out new systems of training. Yet it is clear that these systems are far from being perfect and much work remains to be done if we are to have a viable and widely supported training system in the future.

Designed and implemented to reduce the rigidities of the training system, national training packages and the ARF have in fact introduced a new system of rigidities that State based legislative and administrative systems struggle to come to terms with.

It is unfortunate that senior strategic and operational managers in Government seem unable to design policy frameworks that take into account the requirements of the future.

Failure to address these key management issues will result in continued costly micro-inspections, reviews and investigations into Australia's training system. With the current system experiencing such severe problems, serious questions need to be asked of those individual managers responsible.

PART B

GENERAL COMMENTS

Australia's training system has lost focus and has been unduly influenced by political considerations and the individual agendas of senior managers responsible for the implementation of a national training framework.

Whilst this is a sweeping statement, questions do need to be asked as to why rigidities are being applied to national qualification systems when every other area of modern endeavour seeks to provide flexible, market based response options.

Questions need to be asked of State and Federal Governments as to why professional change management practices have not been used when designing and implementing major reforms in training.

Questions need to be asked of State and Federal Departments as to why they incessantly restructure and encourage their best, most experienced officers to vacate their position through offering voluntary early retirement packages. In many instances these same people are contracted back to the Department as consultants at substantially increased rates thus thwarting the original initiative.

Questions need to be asked as to why Ministers, often the least qualified, are allowed to change the strategic direction of Departments almost at whim by replacing existing Directors General and senior managers with those known to be sympathetically aligned. This results in a 'push/pull' action within training administration that is extremely damaging to all stakeholders but most of all, it is damaging to output quality. The Department of Employment, Training and Industrial Relations have had so many restructures in recent years they no longer call them by that name and now refer to them as re-alignments. This is poor stewardship of public funds and action needs to be taken.

WRAPS Queensland holds the view that Government needs to look critically at its management practices with an objective of improving strategic and operational management of VET in Australia.

Training is still seen by many in industry as a Government agenda and commit to training only when subsidies or free training are available. In the rush to implement national training systems, develop various frameworks and implement national training packages the issue of quality has not been addressed.
