

**Submission to  
the Senate Employment, Workplace Relations  
and Education References Committee**

***Current and Future Skills Needs***

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## **Executive Summary**

This submission addresses matter (b) “the effectiveness of current Commonwealth, State and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements”.

The perspectives provided stem from three vantage points as follows:

- an educator specialising in developing the skills of trainers and assessors
- a small private Registered Training Organisation
- a small (sole owner) business

Identification and development of skills relies on the relationship between the trainer and the assessor and the person who wants or needs to develop the skills. The systems and infrastructure surrounding this process will either allow the optimisation of this process or will obstruct the process. Our current policies, programs and management systems ensure the latter. Indeed, funding the relationship between the trainer and trainee sits right at the bottom of the VET funding food chain.

## **Our National Vocational Education and Training Sector**

We claim to have “the best, most cutting-edge” vocational education system in the world. Yet we have a national attrition rate of 57% from traineeships; 58% of employers who do not employ VET graduates believe VET qualifications are not relevant to their industry and one third of employers who have employed VET graduates believe that the VET system does not take account of the needs of employers. (NCVER Research Paper 2001)

The nationalisation of the vocational education and training sector, the development of nationally consistent standards (training packages) and the recent introduction of the Australian Quality Training Framework (AQTF) have provided a solid framework within which we may operate to bring forth a quality training system and successfully up-skill our nation to enable us to operate at the forefront of international economic and technology development. Why then have we yet to succeed?

The implementation of this conceptually magnificent national system is lacking on several fronts, not the least of which are the layers upon layers of generally government-generated bureaucratic “paper warfare” that pervades the “system” with increasing regularity creating duplication upon duplication of work that has already been completed “somewhere else”. The multiplicity of funding guidelines, tender systems, record management systems and auditing systems completely detracts from the very national policies that have been designed to bring about a nationally consistent quality system and to enable maximisation of skills development and personal growth of our workforce.

The flaws in the system primarily lie in the inconsistency in implementation of national policy at the State level. This can only be avoided if a truly national approach is taken and control of the system at national level is tightened considerably. At present, the management of our national sector is split between far too many entities to ever be completely successful. The planning and leading rests with the Commonwealth, the organising and controlling rests with the States. The evaluative framework is split across National and State boundaries with the resultant loopholes that leave the system vulnerable and open to inefficiency at its best.

## **Management Systems/Mechanisms – the AQTF**

In NSW, there is a clear conflict of interest at State level where the Director General of the NSW Department of Education and Training is also the Managing Director of NSW TAFE and of the auditing body, VETAB, which has been established to audit itself as well as its competitors. This issue is also raised in Submission 8 by ACPET.

The current implementation of the AQTF at State level requires small private Registered Training Organisations to design and develop policies and procedures and management systems at their own considerable cost (estimated to be approximately \$250,000 in cash and opportunity cost). These same systems are also designed and developed by TAFE funded by the taxpayers.

We detract completely from the national consistency and quality we desire through this grossly unequal practice that requires the design and development of 1500 different designs of policies, procedures and forms for recruitment, enrolment, risk analysis, job safety analysis, continuous improvement, customer complaints, grievances, appeals, legislative requirements, access and equity, monitoring and review and so on, when one template designed, developed and provided by ANTA would suffice.

From a small business perspective, this practice is crueling and has resulted in the closure of a considerable number of businesses. The minimalist profit margins of small businesses do not allow for such administrative and managerial burdens.

Quite apart from the cost involved and the detriment to national consistency in systems management of the vocational education sector, this practice also prevents vocational training organisations from doing what they are established to do – to train and assess and develop the skills, knowledge and attitudes of our national workforce.

The auditing body is auditing the capacity of RTO's to design and develop systems rather than the capacity of RTO's to implement the system through the design and delivery programs that result in high quality skills, relevant contemporary knowledge and attitudinal shift.

**Recommendation 1. That the Commonwealth DEST, ANTA and MINCO design and develop a nationally consistent operational system (both hard copy and computerised) (I am able to sell mine to the highest bidder – it is a good system and cost me a house to develop it).**

**Recommendation 2. That taxpayer funded administration and management systems be automatically provided to all Registered Training Organisations (public and private) and that auditing under the AQTF be redirected to an audit of how well these systems are implemented by RTO's as evidenced by the quality outcomes of their training and assessment practices and their business practices.**

## **Which marketing “P” has priority and where is the Pedagogy?**

The vocational education and training industry is price-driven with the resultant lowering of standards. Trainers who provide a high quality service are paid rates equating to less than the basic wage to do what they conscientiously choose to do. Trainers who balance their hours with a rate commensurate with a “reasonable income” are not able to provide a quality service. This is the major reason for attrition from training programs. I know of no training program where the trainer provides a quality regular, consistent service where trainees have left the training program.

For school and University (higher education) programs, the number of hours, modules, credit points are set relatively consistently across the country and are transparent. State-based funding of vocational qualifications relies on a tendering process where RTO’s are required to juggle the number of hours with the hourly rate per student to come up with an acceptable price that the Department will fund. This has nothing to do with pedagogy.

There is no consistency in the nominal number of hours required for completion of vocational programs at any level. It is essential that the sector agree to an acceptable program duration based on sound pedagogical foundations. We currently have Certificate IV level programs being conducted over 5 days. There is significant educational research to show that “crash courses” do not result in long-term retention of skills.

Generally, the cost of University qualifications currently ranges from approximately \$10,000 for a HECS funded Bachelors degree qualification to \$150,000 for a full-fee higher degree. Even conservatively, on the above scale, a quality Certificate level qualification which, for sound pedagogical reasons, should be studied over a minimum of 12 months (full-time), would cost in the vicinity of \$4000.00 - \$6,000.00.

**Recommendation 3. That nationally consistent durations of study (numbers of hours) for vocational education programs are established for all Certificates and Diplomas and that no program of Certificate III and above is conducted over a period less than one year. Students may complete programs in a lesser duration based on accreditation procedures designed by ANTA and/or DEST based on accreditation systems currently in place in the higher education sector and these procedures should be managed by the RTO’s.**

## **Commonwealth Incentives for Training**

A quality, consistent training program requires regular and frequent contact between the trainer and the trainee. It could be suggested that the 57% attrition rate from traineeships is directly attributable to lack of attention to frequency of contact. However, this frequency of contact has to be funded. The majority of Australian businesses are small to medium enterprises operating on tight margins. Businesses simply cannot fund the training required from their own resources.

The revised Commonwealth incentives payments for traineeships to come into force on 1 July this year will address the attrition rate through a lower overall total number of enrollees, not through prevention of attrition due to lack of attention to the trainees.

Small-medium business owner-operators are unable to access Commonwealth incentives for training as they are business owners, yet they are a target group who require management and business skills development to ensure the viability and profitability of

their business in the largest and fastest growing business sector in this country and to ensure they are able to provide employment opportunities as their business grows.

Current sign-ups through NACs can take up to four months to complete for any one client, then there is a further three month wait before the first payment can be made to the employer. The payment of Commonwealth incentives for training would have to be the most cost-inefficient business operation in this country today.

The management of Commonwealth incentive payments to employers is a system which generates duplicity of information and unnecessary layers of costly administration and management which weighs heavily on the skills development activities at the “coal face” ie the relationship between the trainer and the trainee.

Employers are baffled by the numerous entities that they have to deal with to commence and manage traineeships. No clear guidelines are provided to employers about what the incentive may be used for. Indeed, this training incentive does not have to be used for training.

RTOs are completely disempowered in the entire incentive payments process and yet are placed in the position where they are forced to explain the intricacies of the system to employers or refer the employer to the nearest NAC. If the VET sector is going to adopt quality customer service practices, it is essential that the gap between funding training and training activities be closed completely.

**Recommendation 4. That the entire Commonwealth incentives system be revised (yet again) to ensure that the incentives are true payments for training, that there is a direct link between the payment and the training activity and that the additional, unnecessary and costly NAC layer is eliminated from the administration and management system. Funding for training should be made directly to the RTO’s on a split recurrent and per capita basis and performance based criteria established to ensure that RTO’s provide a quality service.**

### **Training Qualifications**

Education has been extracted from the vocational education and training sector. The core business of schools and Universities is education. In the VET sector, companies with retail, hospitality and a host of other activities as their core business are also able to register as Training Companies without adequate attention to the actual educational experience and qualifications in education of the staff who will manage the RTO.

Professional qualifications of leaders in the industry are not expected to be higher education qualifications in education. This does not stand up to scrutiny when we compare the professional qualifications of staff in the schools and University sectors.

In the 1980’s technical and further education professionals completed University qualifications. During the “reformation years” of the 1990’s, Australia developed a conceptually excellent national infrastructure for vocational education and training – but the professionals who work the new system were forgotten.

Professional qualifications were taken out of the higher education sector and located within the VET qualifications framework. This created a significant reduction in the quantity and quality of material delivered under the guise of “training to be a trainer and/or assessor” programs. Furthermore, budding trainers and assessors are able to complete the “crash

course” 5-day Certificate IV in Assessment and Workplace Training program and then proceed to train the next person in how to be a trainer and assessor because they now have the qualification and can legitimately do so.

There is little validation of assessment of trainers and assessors skills across the industry. RTO’s with Training and Assessment qualifications on their scope are able to train and assess their own trainers without resource to an external validation process.

The vocational education and training industry is not viewed as an industry in itself with the resultant acceptance that there is no need for high quality professional educators who have skills and knowledge of the psychology of education, sociology of education, curriculum development, and higher level skills in evaluation and research.

The Government has conducted a review of teaching and teacher education for the schools sector. No similar review is current for the review of the education of trainers and assessors.

NAWT is currently revising the Training and Assessment Training Package and this provides an ideal opportunity to address some of these major anomalies. Attachment A provides a summary of a Focus Group Workshop recently held by the Hunter Trainers and Assessors Network to address some of the key issues of the review.

**Recommendation 5 That policies and standards be introduced that allow for the establishment of RTO’s specialising in delivering Training and Assessment qualifications and that the standards of these RTO’s include the requirement of staff to have higher education (University) qualifications in education.**

**Recommendation 6 That trainers delivering programs from the Training and Assessment Training Package have a qualification at least one level higher than the qualification they are delivering.**

**Recommendation 7. That no Training and Assessment modules from the revised Training and Assessment Training Package are incorporated into other industry Training Packages or if they are that the only RTO’s able to deliver those modules are specialist Training and Assessment RTOs.**

**Recommendation 8. That an independent review of the education of trainers and assessors be conducted as soon as possible.**

### **A level playing field**

Following the Shaping the Future consultation workshops, it would appear that what has been left out of the future outlook is addressing the inequities in the deregulated VET system. At the Hunter meeting, TAFE and what it is accomplishing was promoted heavily.

Of course, TAFE has considerable advantages that allow for these accomplishments at the expense of smaller, private RTOs. These include:

- Accommodation and facilities (computer rooms) funded by taxpayers and not available to private providers at no cost when not in use by TAFE – after all they are already paid for.
- Funding made available for the upgrading of buildings and facilities.

- Money paid to staff well above what the private provider can expect to receive. For example, IM5 managers receive in excess of \$101 000 and have very well paid staff available to give assistance and to assist them with their work. At this level these managers are not under contract and have a very small percentage chance of losing their job. Even part-time teachers are paid more than the majority of private providers are able to pay.
- Centralised development of publicly funded policies and procedures. The private provider on the other hand generally gives up marketing opportunities – to say nothing of the income forgone – to put the necessary paperwork together themselves. (This issue has been addressed earlier in this submission).
- Staff development money is generous. Whilst the private provider struggles to find time to get away from the office, let alone find the money to provide all the staff development required or to search the internet for updates.
- Publicly-funded resources including on-line programs funded by government are not made available to private providers and are retained by the provider (usually TAFE) that has been awarded the grant to develop the resources.

It would appear that the Commonwealth Government and authorities (ANTA) were steering in the right direction several years ago and appeared anxious for TAFE and the private provider to compete on a level playing field. From the perspective of the small RTO, this is certainly not the case.

**Recommendation 9. That every effort be made to streamline the administration, housing and management of the VET sector to ensure that funding for VET is directed equally to every participant and every quality trainer and assessor working with that participant to develop skills, knowledge and personal growth.**

**Recommendation 10. That private providers are also given access to recurrent operational funding to ensure viability of operations.**

### **Summary**

In 1999 we spent \$4.2 billion dollars on vocational education and training. During 2000, over 1.7 million Australians participated in vocational education and training. These are impressive figures, however, how much of the \$4.2 billion was actually spent on the training and assessment process that identifies and meets current and future skills needs and how much was spent on the administration and management of this over-bureaucratised system?

**NOTE: This paper is a private submission and conveys the views of the writer. Outcomes of a workshop held by the Hunter Trainers and Assessors Network to discuss the review of the Training and Assessment Training Package are incorporated into the submission as Attachment A.**

