

A B R I D G E

t o t h e f u t u r e

Australia's National Strategy for Vocational Education and Training 1998 - 2003





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# Preface

The National strategy for vocational education and training 1998-2003 expresses the collective commitment by Australian governments, in partnership with Australian industry, to vocational education and training.

In developing the Australian National Training Authority (ANTA) Agreement, the ANTA Ministerial Council established the following mission statement for vocational education and training.

**To ensure that the skills of the Australian labour force are sufficient to support internationally competitive commerce and industry and to provide individuals with opportunities to optimise their potential.**

The ANTA Ministerial Council has identified five objectives to underpin the mission statement:

- **equipping Australians for the world of work**
- **enhancing mobility in the labour market**
- **achieving equitable outcomes in vocational education and training**
- **increasing investment in training**
- **maximising the value of public vocational education and training expenditure.**

The National strategy was based on the advice of the ANTA Board and has been agreed to by the Ministerial Council. The Board developed a draft National strategy in consultation with key stakeholders.

The strategy analyses economic, industrial and social forces for change and their implications for vocational education and training over the next five years. It sets out a vision for vocational education and training, aligned with the key objectives agreed by Ministers, and strategies to ensure that these objectives are achieved.

As a key element of the ANTA Agreement, the National strategy will be used to guide vocational education and training in Australia into the new millennium.

# Introduction

Vocational education and training enhances Australia's wealth and improves the lives of Australians. It plays a vital role in our economy, labour market and society.

More than a decade ago, Australia recognised that the forces of globalisation would make international competition even tougher. We recognised that our future national prosperity depended on fundamental reforms, starting in key areas such as finance, banking and trade, and extending over time to virtually all areas of the Australian economy and society.

In this environment, the response of the vocational education and training sector had to be swift and intense. Reform to the sector itself, as well as to its products and services, was inevitable. A long period of profound change in vocational education and training has followed.

While it is now important to consolidate and implement the agreed reforms, still more is required of the vocational education and training sector. Reform must continue as complex economic, technological and social changes continue to impact on people's daily lives and pose new challenges and opportunities for Australian enterprises.

## *Major forces for change*

Some of the key changes are:

- the growth in global markets accompanied by intensified international competition and the lowering of tariffs in Australia
- the emergence of service and knowledge-based industries as important sources of employment<sup>1</sup>
- changes in the geographical and regional distribution of employment opportunities
- the impact of new information and communication technologies on the community in general, and on Australian enterprises in particular
- the growth in small business and changes in working arrangements such as increasing part time and casual employment, and the use of outsourcing arrangements and labour hire firms<sup>2</sup>

- changes in the ways in which work is organised within enterprises such as the use of flatter business structures and an emphasis on teamwork and multiskilling<sup>3</sup>
- demographic changes such as the ageing of the Australian population (although some groups, such as Aboriginal and Torres Strait Islander peoples, are experiencing a reduction in the average age), the ethnic diversity of the population and the feminisation of the labour force
- social changes such as those brought on by changes in family structures, lifestyles, sources of income and personal aspirations
- community expectations that all Australians, including those who are most disadvantaged, should have the opportunity to realise their full potential for example through education and employment opportunities
- the continuing need to reduce the level of unemployment
- increasingly sophisticated consumer expectations about the range and quality of products and services<sup>4</sup>
- changes in the roles of governments, away from direct service provision to the purchasing of services, with an increased focus on competitive processes and purchasing outputs.

All these forces will continue to influence the vocational education and training environment over the next five years, but one stands out as being especially significant. Globalisation, underpinned by a technological revolution which has hastened its pace, will continue to transform the way we work and live.

## *Technology in work and living*

New technologies are being developed and introduced across all industry sectors and most areas of work, boosting productivity and creating demands for new and different skills.

In particular, communication and information technologies are changing. While the majority of electronic transactions are currently carried out between businesses, business-to-consumer transactions are expected to grow dramatically in the 21st century<sup>5</sup>.

# tion

Electronic commerce is eroding national borders, enabling small Australian businesses to access overseas markets and Australian consumers to roam the world for bargains.

Australia is fast becoming an information society. For example, we have personal computer and internet take up rates which are among the highest in the world. In the future it will become increasingly possible to communicate with friends and family via the internet.

Commentators on the future expect that more and more people, equipped with online technology, will work for themselves rather than be employed by larger organisations. The effective manipulation of information in electronic databases via the internet and other electronic means of communication will be fundamental to their business operations.

Information technology is expected to drive sustained economic and employment growth into the 21st century. Australia, with its high levels of literacy, usage of computers and advanced telecommunications infrastructure, is well placed to capitalise on this phenomenon.

## *The increasing importance of work skills*

The impact of all the forces for change will be experienced by people in different ways. For example, the implications for people living in urban areas will be different from the implications for those living in rural and remote communities; different for indigenous Australians; and different for people working in different industries and occupations.

The forces for change have one thing in common. They are increasing the demand for skills rather than simply labour. For example, enterprises are becoming increasingly dependent on the skills of their workforce to add value to raw materials and to provide high quality services and products. People with the skills required by such enterprises, and with the ability to continually update their skills, will be able to make the most of the opportunities emerging in Australia's rapidly changing labour market.





# A vision for vocational education and training

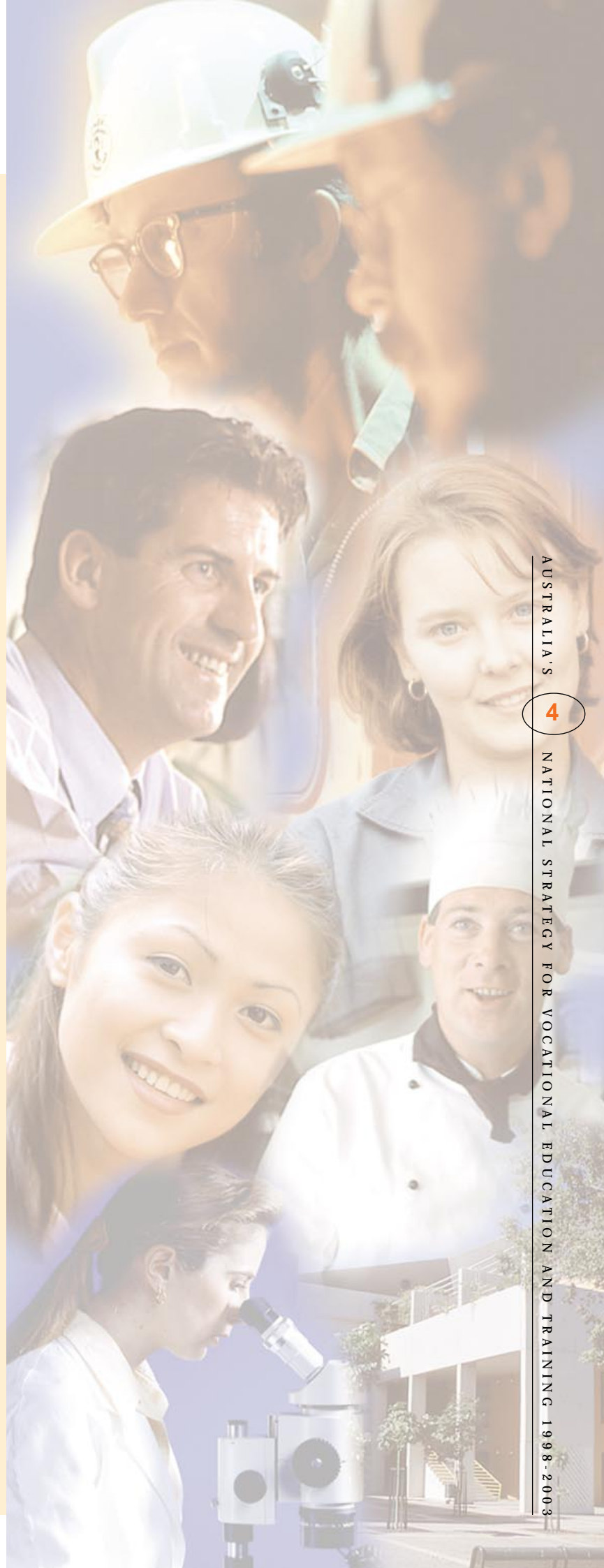
The next five years present Australia's vocational education and training sector with a window of opportunity to fundamentally transform the way in which we develop labour force skills. Our overarching challenge is to create the world's most innovative and best regarded vocational education and training sector. Australian enterprises and citizens need, and deserve, no less.

Our vision is for a nation in which:

- Australian **citizens** place a high value on vocational education and training because of the vital role it plays in the social and economic progress of the nation.
- Australian **industry** plays a leadership role in the vocational education and training sector. Industry and each industry sector believes that training is an investment, not simply a cost. Industry recognises that vocational education and training is a key instrument in maintaining and improving both enterprise and national competitiveness.
- Australian **employers** of all sizes and across all industry sectors make substantial investments in a skilled workforce by providing both formal and informal training opportunities for their existing employees and to young people entering the workforce.
- Australian **workers** want, throughout their working life, to update their vocational skills and to acquire new ones. They are active learners and are willing to make a personal contribution and commitment to their own education and training.
- Australian **governments** are committed to a goal whereby all young Australians are able to access post-secondary education and there are expanded opportunities for adults to pursue further education and training.
- Australian vocational education and training **providers** are responsive to the changing needs of all clients, industry and individuals alike.
- Australian **schools** offer a comprehensive and relevant program of vocational education to all their students and, to do this, establish partnerships with parents, industry and vocational education and training institutions.
- Australian school **students** freely choose their secondary and post-secondary education and training options based on accurate and balanced career and course information.

- ➔
- Australian **communities** are well informed about the nature and benefits of vocational education and training.

Strategies and initiatives for achieving this vision will be put in place within the framework of the five objectives agreed by Ministers in 1997. A series of key performance measures, also agreed by Ministers, will be used to monitor the implementation of strategies and initiatives.



# Equipping Australians for the

Equipping Australians for a rapidly changing labour market, and building the national stock of skills to an internationally competitive level, calls for:

- the establishment of numerous and diverse pathways which encourage and enable people to undertake vocational education and training programs and which meet current and future industry skill needs
- flexible registered training organisations which are responsive to the needs of their clients.

## *Building the national stock of skills to meet the needs of industry*

The skills and knowledge of the workforce are key factors in the international competitiveness of enterprises and their workforce and in national economic growth and productivity. This will become increasingly so as 'economies are more strongly dependent on the production, distribution and use of knowledge than ever before'<sup>6</sup>.

Knowledge based occupations and industries are the fastest growing and best remunerated. They call for new and different skill mixes in their workforce, and particularly, proficiency in information and communication technologies. It is crucial that vocational education and training equips people with the knowledge and skills necessary to meet these demands. The involvement of small and medium enterprises is particularly important, as they represent the greatest area of employment growth.

Australia has come a long way in using national competency standards, developed by industry, to specify industry skill requirements. However, if current and future industry needs are to be met effectively, further improvements are needed so that:

- standards and qualifications are available across all industry sectors at various occupational levels and include the skills used by enterprises in a wide range of industries
- key competencies are built into education and training experiences
- national qualifications, in full or part, offered by registered training organisations reflect the relevant industry standards
- people's skills are assessed against the relevant standards.

A new range of training products, known as **training packages**, will be available. Training packages will enable:

- people to develop the specific skills needed by enterprises and industries
- training providers to respond rapidly to the changing skill needs of enterprises and industries
- training programs to assist people acquire the key competencies, providing them with the ability to adapt to changing industry requirements and to develop creative and innovative solutions to industry needs
- vocational education and training products and services to be developed for all industries
- employers and their employees to understand and compare qualifications and value them as being an accurate representation of a person's skills and knowledge
- qualifications to provide a platform for lifelong learning.





## *Expanding pathways and options*

### **Creating new opportunities for young people**

Although young people are Australia's greatest potential source of new skills, many find it difficult to make the transition from education to work. Research shows that people who do not undertake post-school education and training are more likely to be unemployed than those who do, more likely to have a lower paid job, and less likely to participate in further education and training later in life. For example, in May 1997, those people who had no post-school qualifications experienced an unemployment rate of 11.2%. Those with vocational education and training qualifications had an unemployment rate of 6.5%<sup>7</sup>.

School leavers' vocational education and training options will be improved and expanded, improving their employment prospects, by:

- increasing the opportunities for, and improving the quality and relevance of, programs in **vocational education and training institutions**
- increasing opportunities for workbased learning through **New Apprenticeships**
- expanding and enhancing **vocational education and training programs in schools**.

### **TRAINING PACKAGES PROVIDE THE BASIS FOR TRAINING**

Training packages are approved by Ministers after development by national industry training advisory bodies, other bodies, or enterprises. They will:

- provide integrated sets of competency standards, assessment guidelines and qualifications for a particular industry or enterprise
- provide resources which can be used to underpin training programs and to assess outcomes, although the use of these resources will not be mandatory
- enable the awarding of qualifications through the assessment of skills and knowledge rather than on the basis of whether a person has completed a particular training course
- be progressively developed across all industry sectors, renewing existing competency standards and qualifications and creating new ones where they don't currently exist
- be developed for areas that cross industries, such as small business, management, information technology and finance
- encourage the development and delivery of training programs which suit individual needs.

Training packages will be regularly evaluated, revised and improved, in consultation with industry.

### **AUSTRALIAN QUALIFICATIONS FRAMEWORK PROVIDES A FRAMEWORK FOR TRAINING OUTCOMES**

The Australian Qualifications Framework:

- ranges from secondary school to doctoral level, with the vocational education and training system providing for four levels of certificate, a diploma level, and an advanced diploma level within it
- incorporates clear criteria governing vocational education and training qualifications to ensure that they are of consistent quality, meet training package requirements and can be recognised nationally.

### **NEW APPRENTICESHIPS ARE WIDELY AVAILABLE**

Under New Apprenticeships:

- structured employment based training, covered by a legally binding employer-employee training agreement, will be available in virtually all industries and occupations
- training at any certificate or diploma level will be able to be undertaken
- employers and their apprentices or trainees will be able to put together a structured training program which meets their particular needs. They will also be able to choose the training provider to deliver that program
- apprenticeship and traineeship opportunities with group training companies will increase
- opportunities to participate in apprenticeships and traineeships and gain quality outcomes will increase for those who may otherwise be disadvantaged
- the provision of local sources of advice and assistance for employers who are considering taking on apprentices and trainees will be improved.

### Supporting lifelong learning

Changes in the markets for Australian products and services, industry restructuring and technological change have all contributed to a growing acknowledgment that people need to upgrade and update their skills throughout their working lives.

New and varied opportunities for vocational education and training will provide a range of options for self development and industry skill development. For example, people will have the option to:

- learn through a **vocational education and training institution**, part time or full time. This will continue to be an important way for many people (particularly those who are unemployed) to obtain new skills, upgrade existing skills or improve their level of general education
- develop skills **on the job** and have them recognised towards a national qualification
- undertake vocational education and training in **community based organisations** (collectively known as Adult and Community Education).

Individuals will not be constrained to one of these pathways, but will be able to combine them if they choose.





## REGISTERED TRAINING PROVIDERS ARE RESPONDING TO CLIENT NEEDS

Registered training organisations will be able to respond to client demands more quickly and effectively because of:

- the many ways in which the components of training packages can be assembled into training products and services leading to a qualification
- registration requirements that focus on assessing the abilities of the training provider against the Australian Recognition Framework standards (see Objective 2)
- registration arrangements for training providers that enable them to tailor their entire operations to their market, control the scope of their registration and self accredit courses
- their access to information about their market and clientele drawn from an extensive range of management information sources
- a substantial investment in the skill of teachers and other staff through training and retraining.

## LEARNING THROUGH A VOCATIONAL EDUCATION AND TRAINING INSTITUTION PROVIDES EXPANDED OPPORTUNITIES FOR ALL PEOPLE

There are over 1.7 million students enrolled in vocational education and training with TAFE, adult and community education organisations and private colleges<sup>1</sup>. The programs offered by registered training organisations will become increasingly relevant, recognised and valued through the:

- use of the new registration arrangements which increase the capacity of training providers to address industry needs
- use of training packages which reflect industry skill needs
- establishment of partnerships between institutions and industry, encouraging greater responsiveness to industry needs
- application of more innovative modes of training delivery, making it possible to provide more people with the skills industry needs.

<sup>1</sup> This figure excludes enrolments in personal enrichment courses. NCVER (1997) Australian VET Statistics, 1996.

## TAFE IS CENTRAL TO THE NATIONAL VOCATIONAL EDUCATION AND TRAINING SECTOR

TAFE institutes will be central to the operation of vocational education and training. They represent a substantial, geographically spread, national asset with:

- a well recognised brand name
- qualified teachers with industry experience
- established capital stock
- the capacity to ensure stability in the provision of vocational education and training.

TAFE will be a key provider in a growing and diverse training market. In this environment, TAFE will be:

- responsive to client needs
- able to innovate and continuously improve
- a high quality, leading, strategically positioned provider with a diversified client base
- able to operate on the basis of sound business principles.

TAFE will be a benchmark for quality, responsiveness and innovation.

## THE IMPORTANT ROLE OF PRIVATE TRAINING PROVIDERS

There are now over 3,000 private and industry training providers who are registered training organisations<sup>1</sup>. Opportunities for these and other providers will be enhanced by:

- the effective implementation of the Australian Recognition Framework, enabling greater flexibility in the provision of recognised training
- increased availability of products and resources to support nationally recognised training
- access to contestable funding.

<sup>1</sup> National Training Information Service.

### ***Encouraging flexible registered training organisations***

There will be improved opportunities for clients, including governments, to purchase vocational education and training through:

- competitive tendering
- fee for service
- User choice<sup>8</sup>.

TAFE institutes, community based, private and enterprise training providers will need to continue to respond to the demands of competitive markets and increasingly sophisticated consumer demand by:

- becoming more flexible
- improving the quality of their training products and services
- offering specialised products and services.

### **Using technology to assist learning**

New forms of educational and communications technology will generate increasing demands for flexible, convenient and accessible training. For example, more and more Australians are expected to demand 'just in time', 'just for you' vocational education and training through the internet. Australian providers of vocational education and training face some key opportunities and

challenges in relation to online training. The internet opens up a world wide market for Australian providers, but at the same time potential overseas competitors view the Australian market as particularly inviting.

If Australia is to retain an educational identity and become a leader in online training delivery, then a co-ordinated, strategic approach is necessary. Four critical aspects of the technology based learning environment need to be addressed.

#### ■ **Infrastructure development**

Capital investment will increasingly be shifted from 'bricks and mortar' to infrastructure which supports flexible delivery methods, particularly through the use of new technology. National technical guidelines are being developed to ensure that online training delivery is consistent across States/Territories.

#### ■ **Professional development**

Teachers will take on new roles such as online course developers, facilitators and providers of online user support. They will be supported by a major program of professional development.

#### ■ **Change management**

Change management through communications and marketing to share, publicise and disseminate information on flexible delivery initiatives will be facilitated.

#### ■ **Online/electronic product**

There will be a major investment in the development of products to support online delivery.





## COMMUNITY BASED ORGANISATIONS ALLOW ACCESS FOR ALL AUSTRALIANS

*Adult and community education providers have a strong tradition of delivering learner-centred, accessible, inclusive and flexible education and training.*

*Many people find that the less formal environments of these providers are better suited to their learning needs.*

*A large number of adult and community education providers currently offer recognised training. As registered training organisations, these providers will increasingly deliver training programs leading directly to nationally recognised qualifications. This vocational role will not diminish their important contribution to self development and general education.*

*The revised version of the National Policy - Adult and Community Education describes objectives for enhancing the contribution of Adult and Community Education providers to the acquisition of work related skills.*

## VOCATIONAL EDUCATION AND TRAINING IN SCHOOLS PREPARES YOUNG PEOPLE FOR THE WORKFORCE

*Secondary schools have an important role to play in preparing students for employment, providing them with general and specific skills for existing and future jobs.*

*State, Territory and Commonwealth governments and schools have agreed to increase the quality and quantity of nationally recognised vocational education and training as an integral part of senior secondary school studies.*

*An apprenticeship or traineeship can be combined with attendance at school.*

*Students will graduate with full or partial vocational education and training qualifications as well as a senior secondary certificate, improving their employment prospects and providing credit towards vocational education and training qualifications at higher levels.*

## WORK BASED LEARNING AND ASSESSMENT ALLOWS PEOPLE TO HAVE THEIR SKILLS RECOGNISED

*People will have more opportunities to have the skills they develop on the job recognised towards a national qualification because:*

- *the qualifications in training packages will be awarded if people are assessed as competent against the industry competency standards*
- *a person who meets some but not all of the competency standards required for a qualification will be issued with a nationally recognised statement of attainment detailing units of competence achieved. This will enable people to upgrade their skills by building on the statement until they can meet the full requirements for a qualification, and will help them achieve long term career goals*
- *the role of registered training organisations in assessing skills developed on the job will be strengthened. Some registered training organisations may even choose to focus solely on providing this service.*



### **Raising awareness of vocational education and training opportunities**

Many features of vocational education and training are valued by employers and students but more needs to be done to raise understanding, and recognition, of it. Marketing of vocational education and training products and services will be improved, and a unifying brand created, in order to:

- create greater awareness of the vocational education and training products and services which are available
- build greater recognition of the value of vocational education and training and its outcomes, in the community generally, and among young people in particular.

Marketing will be a critical role for industry training advisory bodies and group training companies.

The National Training Information Service, New Apprenticeships centres, and local offices of State and Territory training authorities will provide better access to information about training packages (including competency standards, assessment guidelines and qualifications), training programs and registered training organisations. This will help individuals and enterprises make informed decisions.



## Objective 1 Outcomes

1. Training packages providing comprehensive industry standards (including key competencies) and national qualifications will be available across all industry sectors and widely used for delivery and assessment.
2. Individuals and enterprises will have maximum choice and flexibility in learning pathways and in the use of vocational education and training products and services, including User choice in New Apprenticeships.
3. The vocational education and training sector will have established a clear presence in the new online delivery environment and will lead the development of new world-class training programs and learning experiences available online.
4. Student and employer satisfaction will increase and there will be correspondingly higher program completion and graduate placement rates.
5. The community, industry and students are aware of and value the distinctive experiences and outcomes which can be accessed through registered training organisations.

### BRANDING ENABLES RECOGNITION OF VOCATIONAL EDUCATION AND TRAINING PRODUCTS AND SERVICES

An important element of marketing vocational education and training, both domestically and internationally, is a clear brand that can be applied to the service and experiences available through vocational education and training. For the client, a brand signifies quality training and coherence in an otherwise confusing array of programs and services. For the provider, a brand helps attract loyal clients. A brand assures a clear statement of the services, experiences and outcomes available in vocational education and training. It is these which should form the basis of marketing in vocational education and training.

### NATIONAL TRAINING INFORMATION SERVICE PROVIDES INFORMATION FOR ALL STAKEHOLDERS

The National Training Information Service provides direct access to current and emerging training market information and products in vocational education and training in Australia. It has detailed information on accredited courses and qualifications, endorsed competency standards and registered training organisations. In addition, some further information is provided on training packages, new initiatives in vocational education and training, and useful links to other training related web sites in Australia.

### STUDENTS AND EMPLOYERS VALUE VOCATIONAL EDUCATION AND TRAINING

The 1997 TAFE graduate destination survey indicated that<sup>i</sup>:

- 71% of graduates were employed after their course at 30 May 1997 and a further 15% were enrolled in further study
- 61% of graduates whose main reason for undertaking the course was 'to get a job' were employed
- 79 % of graduates believed their course to be highly relevant or of some relevance to their employment
- 68% of graduates rated the overall quality of their TAFE course as 8 or more on a 10-point scale ranging from 'extremely poor to excellent'.

The 1997 survey of employer satisfaction with vocational education and training revealed that<sup>ii</sup>:

- overall, 78% of employers indicated that they are satisfied or very satisfied with the vocational education and training system
- 73% of employers think that training pays for itself through increased worker productivity
- almost two thirds of employers (65%) agreed that the vocational education and training system is providing graduates with skills appropriate to employers' needs
- 77% of employers think it is important to have a choice of training providers

<sup>i</sup> NCVER (1997) TAFE Graduate Destination Survey 1997: at a glance, p1 and NCVER (1997) TAFE Graduate Destination Survey 1997: National Report, p56.

<sup>ii</sup> NCVER (1997) Employer Satisfaction with Vocational Education and Training 1997: at a glance, p1.

# Enhancing mobility in the labour

## *Ensuring that skills are nationally recognised*

There is increasing mobility within the Australian labour market and many enterprises recruit on a national basis. Recent reforms to the way in which training is recognised, known as the **Australian Recognition Framework**, will contribute to the development and enhancement of the *national skills* pool by providing a rigorous approach to quality assurance in a more flexible and devolved vocational education and training system.

## *Seamless post-compulsory pathways*

Students need to be able to move freely within the vocational education and training sector and between vocational education and training, senior secondary schooling and universities, while ensuring that outcomes from each are recognised and valued.

To this end, it is necessary to develop seamless post-compulsory pathways through clear articulation arrangements and to make a commitment to a goal whereby all young Australians complete secondary school (or equivalent) and are subsequently able to access post-secondary education. Along with this, there will need to be expanded opportunities for adults to pursue further education and training.

Seamless post-compulsory pathways will be characterised by:

- effective competition between providers ensuring choice and diversity, while preserving the unique and distinct missions of vocational education and training and universities
- a mix of public and private provision
- effective implementation of the Australian Qualifications Framework by all providers, public and private, within vocational education and training and universities
- comprehensive career advice which enables clients to consider the full range of available options
- reliable and comparable data on all post-secondary providers which assists clients to make informed choices
- training packages which include guidance about the links between the vocational education and training qualifications they contain and qualifications available from universities. The acceptance of qualifications from universities by registered training organisations will also be negotiated.

## *Emphasising key competencies and cross industry competency standards*

Vocational education and training will play a key role in ensuring that the nationally agreed key competencies are developed by the Australian workforce. The generic nature of key competencies ensures that they are transferable from one job to another, improving a person's ability to move between enterprises, industries and occupations in a way which is consistent with their aspirations and economic conditions. These competencies are also essential for effective participation in emerging forms of work organisation. All training packages will:

- require the effective integration of key competencies
- contain competency standards which are relevant to a number of industries.





## *Improving language, literacy and numeracy skills*

English language, literacy and numeracy skills are important for participation in all aspects of Australian life, including education, training and work. Many Australians, including those with English as their first language, have literacy and numeracy needs. Some Australians, whose first language is not English, may also require English language training.

People with these needs are most vulnerable to economic change, finding it particularly difficult to develop new skills and change their occupation and industry as the economy restructures<sup>9</sup>. Lack of literacy and numeracy skills also act as a barrier to effective participation in lifelong learning. To address these issues:

- resources to assist in the development of literacy and numeracy training programs will be specified in all training packages
- general programs for improving language, literacy and numeracy levels will continue.

## Objective 2 Outcomes

1. All qualifications and statements of attainment issued by registered training organisations will be recognised by other registered training organisations throughout Australia.
2. Training organisations registered in one State or Territory will be able to operate in all States and Territories without additional registration processes.
3. Key competencies and cross industry competency standards will be integrated into all vocational education and training qualifications.
4. All qualifications in training packages will provide clear links to each other, to other qualifications in other industries, and to university courses.
5. English language, literacy and numeracy training will be more effectively integrated into vocational education and training products.

## KEY COMPETENCIES UNDERPIN ALL VOCATIONAL EDUCATION AND TRAINING

The key competencies are:

1. collecting, analysing and organising information
2. communicating ideas and information
3. planning and organising activities
4. working with others and in teams
5. using mathematical ideas and techniques
6. solving problems
7. using technology.

*By focusing on developing the key competencies in training packages, people can improve their general education, thus establishing a better foundation for future skills development.*

## THE AUSTRALIAN RECOGNITION FRAMEWORK ESTABLISHES THE QUALITY STANDARDS ALL TRAINING PROVIDERS MUST MEET

The establishment of the Australian Recognition Framework involves agreement by governments and industry on the registration standards that public and private training providers will need to meet in order to develop, deliver and assess training leading to nationally recognised qualifications. (Organisations that meet these standards will be called 'registered training organisations'). As a result of the Framework:

- registered training organisations will be able to operate in all States and Territories, developing a borderless vocational education and training system
- qualifications and statements of attainment issued by one registered training organisation will be recognised by others
- employers and individuals will have confidence in the quality of qualifications due to rigorous quality assurance and auditing arrangements.

# Achieving equitable outcomes vocational education

The benefits of vocational education and training are far from equitably distributed. Unless concerted action is taken, the benefits of the reforms and initiatives outlined in this strategy are unlikely to flow through to many individuals in the community. Opportunities to participate in and complete vocational education and training ought to be available to all people on an equitable basis. The potential for education and training to improve people's life chances, and to give them security and satisfaction both in work and in life, has consequences for society as well as, importantly, for the individual. Increased productivity and self reliance also produce broader economic and social advantages.

As there are many barriers to achieving these goals, action is required in vocational education and training as well as on many other fronts, such as employment, education, housing, health and public transport. Looking to the future, vocational education and training will be increasingly critical in bridging the gap between the information 'poor' and the information 'rich' through providing information technology access and training to disadvantaged groups and people living in rural and remote areas.

The policy, planning, funding and delivery mechanisms for vocational education and training need to be inclusive of the needs of all. Effective action may call for partnerships between governments, industry, the community and

registered training organisations. The objectives of the National strategy cannot be achieved if specific attention is not paid to the factors that prevent many people from successfully undertaking vocational education and training.

This National strategy supports the National Women's Vocational Education and Training Strategy already agreed by Ministers. A similar process could provide a basis for the development of a range of approaches to address the needs of other particular client groups.

Through the planning and accountability arrangements under the ANTA Agreement, Commonwealth, State and Territory governments will:

- identify and remove structural barriers to access and equity in vocational education and training
- encourage improved performance by registered training organisations in delivering training programs to disadvantaged clients
- encourage development and delivery of training programs based on training packages which can be customised to suit the needs of all clients, and which are sensitive to cultural differences





# in & training

- equip vocational education and training staff to address equity issues, including the development and delivery of inclusive training programs based on training packages
- create incentives for registered training organisations to address equity issues, based on a better understanding of the costs associated with delivery to clients with special needs
- make available accurate data for monitoring equity performance
- make efficient use of new technology to broaden opportunities for those living in rural and remote communities or unable to access institutional or work based training
- develop and monitor performance improvement annually.

## Objective 3 Outcome

- 1 Increased and improved access to, and outcomes from, vocational education and training in identified areas of disadvantage, including those areas highlighted in this strategy.

### VOCATIONAL EDUCATION AND TRAINING INITIATIVES WILL ADDRESS SPECIFIC AREAS OF DISADVANTAGE

*Specific priorities might include:*

- *increasing participation by Aboriginal and Torres Strait Islander peoples in vocational education and training, particularly higher level award programs, improved retention and completion rates and improved employment outcomes*
- *increasing participation, retention and completion rates in vocational education and training for people with a disability, particularly in higher level and employment based training*
- *expansion of structured, nationally recognised training opportunities to areas where high numbers of women are employed and increased participation by women in training for emerging areas of employment*
- *expansion of the range of programs undertaken by people in rural and remote communities, including programs that take advantage of computer technology*
- *promotion of programs which link vocational outcomes with language and literacy training to clients from non-English speaking backgrounds, particularly to those in communities with high unemployment.*

# Increasing investment in

Australians make a substantial investment in vocational education and training amounting to more than \$7 billion annually<sup>10</sup>. This comes from enterprises, individuals and governments and is essential to ensure that the Australian economy can participate in the globalisation process.

## *Addressing the economic imperative to build the national stock of skills*

In the emerging knowledge-based economy, the stock of skills and knowledge in the workforce provides an important measure of competitiveness. While not a full measure of the national skills stock, the qualifications profile (the proportion of the population or workforce having achieved particular qualification levels) is a useful indicator.

Overall, industry requirements for skilled workers are predicted to grow, with variations within and between industries. Meeting these requirements will only enable Australia to maintain or slightly improve its qualifications profile relative to other OECD (Organisation for Economic Co-operation and Development) countries. Projections suggest action will be required to improve Australia's position<sup>11</sup>.

Australia's objective must be to secure a leading international position. This can be achieved in three ways:

- moving towards providing an opportunity for all Australians to attain skills and knowledge at the post-compulsory education level and subsequently at the post-school level

- progressively improving Australia's skills profile relative to other agreed, relevant benchmark countries through industry by industry action to best fit the supply of qualified persons and the needs of industries
- ensuring that Australia maintains its international standing through addressing industry skill requirements and meeting demand for access to post-compulsory education, including vocational education and training.

While Australia's qualifications profile will be influenced by a range of economic and labour market factors, the vocational education and training sector has an important contribution to make towards improving this profile to reach internationally competitive levels.

This will lead to:

- significant growth in participation in vocational education and training to assist in making post-compulsory school education and post-secondary education and training a universal experience in Australia
- an increase in the proportion of the workforce and the community holding post-secondary school qualifications
- meeting the requirements of various industries for skilled labour.

Indicative projections have been prepared, providing the basis for consultation with industry and education and training systems on addressing industry workforce skill needs and improving the skills profile. This work will ultimately provide a broad measure of how well industry workforce skill needs are being met by the vocational education and training sector.



# training



## *Developing a training culture*

Responses to the challenges and opportunities outlined in this National strategy cannot be fully realised through government action alone. The development of a training culture is also essential. This calls for organisations which value learning and the development of skills.

Building a training culture is a shared responsibility of industry, the community and governments. Four objectives have been agreed for the development of this culture in Australia.

They are:

- to improve industry attitudes and commitment to training, with leadership by industry being essential
- to improve community attitudes and demand for vocational education and training
- to improve institutional practices to support a training culture
- to develop more effective government policies and programs to support a training culture.

## AUSTRALIA MUST IMPROVE ITS SKILLS PROFILE

*On most key measures, the skills and knowledge of our population and workforce lag behind other countries. Currently, only 61% of the Australian workforce holds post compulsory qualifications<sup>i</sup>. The average profile for all OECD countries was 68% in 1995 and forecast to grow at between 1-2% per annum over the next decade.*

<sup>i</sup> Cullen R.B. (1998) *Workskills and National Competitiveness, Report No 3 Internal Benchmarks, draft unpublished.*



### *Increasing investment in training by industry*

An important element in developing a training culture is increasing industry's financial contribution to training. The significance of industry's current contribution to skilling the workforce is recognised.

Industry investment in training is influenced by a range of factors including technological change, changes in management practices, quality assurance processes as well as employers' perceptions about the return on their investment and overall economic conditions.

To maintain and extend the national skills pool, industry investment will be further encouraged by attention to both the supply of training and demand for training from industry and the community. This involves:

- **stimulating investment with better products and services**

As the ability of registered training organisations to respond to client demand increases, the utility, quality and convenience of their products and services will improve. So too will the management and evaluation of training investment within their overall business strategy. This should stimulate investment in vocational education and training by industry.

- **encouraging industry-registered training organisation partnerships**

Increased industry investment in training will result from an increased number of industry - registered training organisation partnerships, the establishment of local and regional small business networks and the promotion of vocational education and training through these networks.

- **resources for companies**

The resources contained in training packages and other vocational education and training products will be useful for enterprises which are recruiting staff, establishing career paths and making decisions about promotion, conducting skills audits, designing and re-designing jobs and conducting employee appraisals.

- **investment by small business**

Creative initiatives by industry organisations and governments to stimulate demand from small business for training will continue to be implemented. These activities will all contribute to skills formation in workplaces and to the development of learning organisations.

### *Maximising returns on investment*

All parties investing in vocational education and training, be they governments, enterprises or individuals, are seeking to maximise the return on their investments. To a large degree, this will be achieved by people being able to make better informed choices about the products and services available.



## Objective 4 Outcomes

- 1 The proportion of the population holding formal vocational education and training qualifications (and parts of qualifications) will grow, with particular attention paid to endeavours to improve the number of intensive training experiences under New Apprenticeships.
- 2 The international competitiveness of Australia's workforce skills will increase compared to other OECD countries, particularly against selected benchmark countries.
- 3 Participation in vocational education and training will increase, helping make post-school education and training a universal experience in Australia.
- 4 Industry investment in nationally recognised vocational education and training will increase, on an industry by industry basis, aided by a growing acceptance by employers that training is a key instrument in maintaining and improving both enterprise and national competitiveness.

### A TRAINING CULTURE INVOLVES A COMMITMENT TO TRAINING FROM GOVERNMENTS, INDUSTRY AND THE COMMUNITY

*A training culture is a set of instinctive behaviours, beliefs and values, shared by all Australians - employers, employees, the training community and the wider community alike - which leads them to a lifelong interest in vocational education and training and a visible commitment to participating and investing in both formal and informal training. Such a culture is a feature of some other nations and many of our global competitors, but it is not yet an instinctive and distinctive feature of ours.*

*The development of a training culture needs to address:*

- *growing labour market flexibility eg the growth of part time and casual employment*
- *the dramatic differences between industry sectors in the extent to which they are securing their future skills base and between the training practices of small employers, compared with medium and large employers*
- *the priority given by many enterprises to short term financial imperatives at the expense of medium and longer term skills development imperatives*
- *management fundamentals which are not as good as they need to be*
- *limited knowledge of teachers, students, parents and the community about the scope and value of vocational education and training.*

### INDUSTRY MAKES A LARGE CONTRIBUTION TO VOCATIONAL EDUCATION AND TRAINING

*Australian industry spends \$2.5 billion per year on all forms of education and training (this figure climbs to over \$4 billion per year if wages and salaries for time spent in training are taken into account)<sup>1</sup>.*

<sup>1</sup> ABS (1997) *Employer Training Expenditure Survey, July to September 1996*



# Maximising the value of public education and training

## *Improving efficiency*

Commonwealth, State and Territory governments spend a total of \$2.9 billion per year on delivery of vocational education and training<sup>12</sup>. Maximum value for that investment needs to be obtained while at the same time ensuring quality and accountability.

State and Territory governments will identify strategies and outcomes, both in terms of quality and quantity, for deriving growth through efficiencies on a state by state basis.

The vocational education and training sector will continue to improve its efficiency and effectiveness, while maintaining and improving the quality of its products and services. This will be achieved by:

### ■ using infrastructure effectively

In the last 25 years, over \$4 billion has been spent on providing a comprehensive network of public vocational education and training facilities<sup>13</sup>. Current and future capital investment will be reviewed to identify ways of achieving maximum return on capital investment.

### ■ assuring accountability

Pricing and purchasing processes will continue to be open to scrutiny, particularly those used by governments to establish prices for vocational education and training products, and to decide which services and outcomes they will purchase.

### ■ improving management information

High quality management information, to assist in decision making and performance monitoring, will be provided by:

- an improved national information system
- several major surveys which will yield information on student characteristics, completion rates, employer and student satisfaction and skills profiles at State, Territory, national and industry levels.



# vocational expenditure



## ■ using research and evaluation

An ongoing program of research into vocational education and training will be undertaken. The implementation of major initiatives such as User choice, training packages and the Australian Recognition Framework will be evaluated. The research and evaluation findings will be used for continuous improvement and for future policy and program development.

## Objective 5 Outcome

1. States/Territories will continue to identify growth derived from efficiencies for the period of the ANTA Agreement.

# Putting the National strategy into action

Commonwealth, State and Territory governments, Australian industry, registered training organisations and ANTA have joint responsibility for implementing this National strategy. Industry leadership, including that provided through the network of industry training advisory bodies, will be critical to the strategy's success.

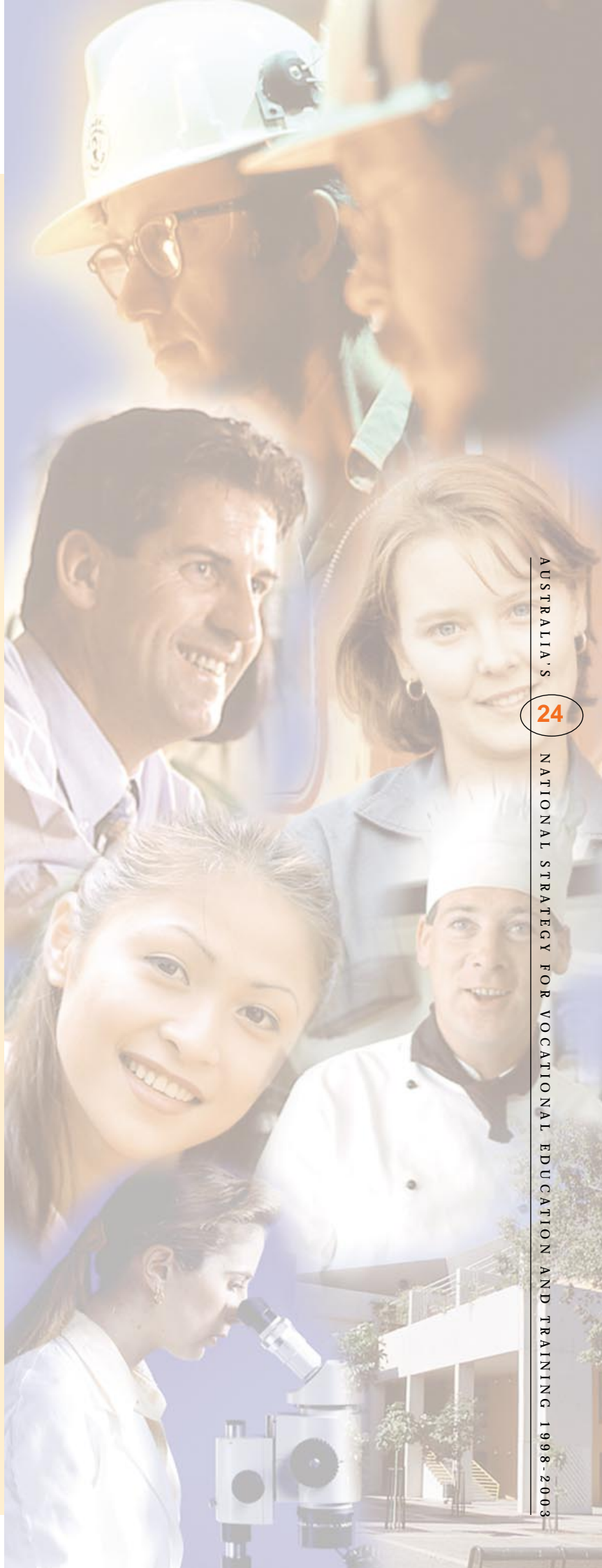
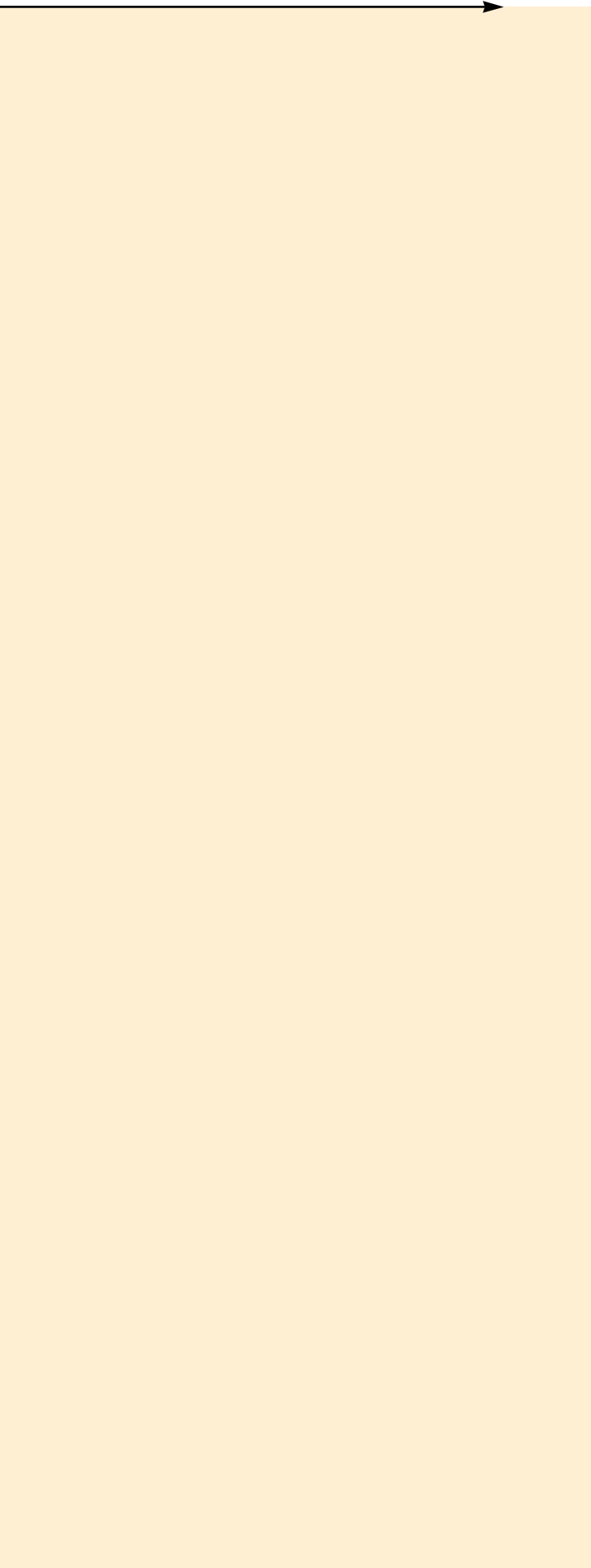
Commonwealth, State and Territory governments and ANTA have specific responsibilities under the ANTA Agreement. Each will undertake specific initiatives outlined in the strategy. State and Territory governments have scope to be innovative in their implementation of the strategy.

Resourcing requirements are the collective responsibility of governments, industry and individuals. Resourcing will be addressed annually by the ANTA Ministerial Council.

## *Monitoring and reporting on the implementation of the National strategy*

ANTA will use the key performance measures (see Appendix 1) to monitor the vocational education and training sector objectives. The results will be reported to the ANTA Ministerial Council annually, through ANTA's annual national report.

The outcomes listed in this strategy will be monitored using a combination of key performance measures and measures developed and reported on as part of the annual reporting and accountability requirements under the ANTA Agreement. The ANTA Ministerial Council, with advice from the ANTA Board, will undertake a periodic review of the National strategy to take account of emerging challenges and opportunities, and to develop appropriate responses.



# Appendix

## *Key performance measures*

The key performance measures for vocational education and training reflect the outcomes of a major program of work undertaken by the Performance Review Committee of the ANTA Board throughout 1997<sup>14</sup>. In developing the key performance measures, the system objectives for vocational education and training were used as a guide.

The report of the Performance Review Committee on key performance measures was endorsed in principle by the ANTA Ministerial Council in

November 1997 subject to an assessment of the cost implications for States and Territories in implementing them. A detailed implementation plan for the key performance measures, including information on costs, was subsequently approved by the ANTA Ministerial Council at its meeting on 22 May 1998<sup>15</sup>. The full use of these performance indicators will be phased in over time.

Implementation of the key performance measures will occur progressively with full reporting occurring from 2001 for the year 2000.

Objective	Key performance measures	What they measure
Equipping Australians for the world of work	Stocks of vocational education and training skills against desired levels (including expressed industry demand in the short term and also against international benchmarks in the longer term) <i>(key performance measure 2)</i>  Employers' views on the relevance of skills acquired through vocational education and training <i>(key performance measure 3)</i>  Student employment outcomes and prospects before and after participation in vocational education and training <i>(key performance measure 4)</i>	Size of Australia's vocational education and training skills pool and how well industry needs and those of the economy are being met by the vocational education and training sector  Relevance of training in the workplace  Employment outcomes for students
Enhancing mobility in the labour market	Skill outputs produced annually within the domain of formally recognised vocational education and training <i>(key performance measure 1)</i>	Contribution of vocational education and training sector to Australia's skills pool and to labour mobility
Achieving equitable outcomes in vocational education and training	Vocational education and training participation, outputs and outcomes achieved by client groups <i>(key performance measure 5)</i>	How well the vocational education and training sector is servicing particular groups in the Australian community
Increasing investment in training	At the time of publishing this strategy, a key performance measure against this objective had yet to be developed.	
Maximising the value of public vocational education and training expenditure	(Actual) public expenditure per publicly funded output <i>(key performance measure 6)</i>  (Actual) public expenditure per total recognised output <i>(key performance measure 7)</i>	Efficiency of public dollar usage to generate skills output  Extent to which public funds leverage private investment in training





# Endnotes

- 1 Lecture delivered by Mrs Edith Cresson of the European Commission, to London School of Economics and Political Science, *Towards a Knowledge-Based Europe*, unpublished. Source: internet.
- 2 EPAC (1996) *Future Labour Market Issues for Australia*, AGPS.
- 3 EPAC (1996) *Future Labour Market Issues for Australia*, AGPS.
- 4 The availability of a plethora of products was discussed in: Address by Federal Reserve Chairman Alan Greenspan to the annual meeting of the American Economic Association and the American Finance Association, Chicago, Illinois, January 3, 1998 in *Australian Financial Review*, 6 January 1998.
- 5 Senator Richard Alston (16 April 1998), *Enabling Australia's Leadership in the Information Economy*, speech delivered at the first national summit on electronic commerce, p5.
- 6 OECD (1996) *The Knowledge-Based Economy*, p9.
- 7 ABS (1997) *Transition from Education to Work, Australia*.
- 8 In May 1997, New South Wales reserved its position on implementing User choice. In November 1997, New South Wales announced that it would allocate \$60 million to public and private providers through genuinely contestable means in 1998. In 1998 all New South Wales trainees and their employers are able to select public or private training providers and all apprentices and their employers their preferred TAFE college.
- 9 ABS (1996) *Survey of Aspects of Literacy*. This survey shows that almost 50% of those with poor to very poor literacy skills have English as a first language.
- 10 Annual vocational education and training expenditure drawn from ANTA (1997) *Directions and Resource Allocations: Report to MINCO, November 1997* and ABS (1997) *Employer Training Expenditure Survey July to September 1996*.
- 11 Cullen R.B. (1998) *Workskills and National Competitiveness, Report No 3 Internal Benchmarks*, draft unpublished, pp21-30.
- 12 ANTA (1997) *Directions and Resource Allocations for 1998: Report to the Ministerial Council*.
- 13 Derived by ANTA, from historical records.
- 14 Performance Review Committee (October 1997) *Key Performance Measures for Vocational Education and Training: Report to the ANTA Board*.
- 15 Performance Review Committee (April 1998) *Key Performance Measures Implementation Plan: Report to the ANTA Board*.