

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the provisions of the Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Bill 2005

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AUSTRALIAN EDUCATION UNION

**SUBMISSION TO THE
SENATE EMPLOYMENT, WORKPLACE
RELATIONS AND EDUCATION COMMITTEE**

**INQUIRY INTO THE
AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY
IN ACHIEVEING AUSTRALIA'S SKILLS NEEDS) BILL 2005**

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1. Introduction

- 1.1. The Australian Education Union has a membership of 164,000 educators who work in public schools, colleges, early childhood and vocational settings in all states and territories of Australia. Members include teachers and allied educational staff, principals and administrators mainly in government school and TAFE systems
- 1.2. The AEU is extremely concerned about the introduction of ATCs. It believes they have been introduced without proper consideration of how they might operate. They are a dangerous and poorly considered experiment using young people as guinea pigs. They are likely to have a deleterious effect on the students who attend them, and will negatively affect other schools and TAFE colleges in their geographic area, the delivery of VET courses across all schools and students and the education system generally. At the same time, they have limited capacity to alleviate the skills shortages currently being experienced.
- 1.3. At the time that submissions for this Inquiry are being written, 12 successful applications for ATCs have been announced by the Howard government. There is little detailed information on any of the tenders, successful or otherwise. Rather, the information on potential operators is limited to that listed under “Expressions of interest” on the DEST Australian Technical Colleges website and some hearsay information from local sources. It would seem that the proposals cover a wide variety of approaches and potential operators and vary in the degree to which they meet the specified criteria. Consequently, the final shape of ATCs is not known at this time and any discussion must be based on supposition and an unclear understanding of what might happen
- 1.4. The AEU notes that there has been an attempt to respond to many of its earlier criticisms by the inclusion in the “Request for Proposals” (RFP)¹ document of a requirement for proposals to meet a range of “Part Two Criteria”, including academic and equity considerations (RFP, 2.3.3).

¹ Australian Government, Department of Education, Science and Training, Request for Proposal for the Establishment and Operation of 24 Australian Colleges in 2006, 2007 and 2008. Downloaded from <http://www.australiantechnicalcolleges.gov.au/downloads/requestForProposalAmended7April.doc> July 2005. Referred to herein as RFP.

- 1.5. However, without information on how stringently ATCs will be made accountable for meeting such criteria it is impossible to assess the extent to which simply listing them as criteria will ensure that they are satisfactorily dealt with. Given the extent to which the ATC proposals contain inherent flaws the AEU is of the view that few will meet these criteria at a level that will satisfactorily address them.
- 1.6. Each successful tenderer will be required to sign an agreement covering a range of accountability measures. At this stage, the specifics of these agreements are not publicly available and so the extent to which accountability measures will be monitored and enforced is not clear.
- 1.7. There are also concerns about the extent to which ATCs will be publicly accountable even in the longer term. It appears likely that they will seek to hide behind “Commercial in Confidence” to a considerable degree, making public scrutiny of their operations, funded from the public purse, considerably less than if they were part of the public sector.
- 1.8. This submission will consider a number of the issues and problems that lead to the AEU’s concern about and opposition to ATCs.

2. Poorly thought through initiative

- 2.1. The principal deficiency associated with the introduction of ATCs has been the precipitate manner of their announcement and introduction.
- 2.2. They were announced in the heat of a Federal election with little or no consultation with the states and territories that have the responsibility for schooling or with the wider education community. Consequently, they fail to build on the best of what already exists in schools and TAFE colleges or to address the full range of problems that are currently being experienced.
- 2.3. Rather, they appear to have been designed on the basis of limited consultation with employers in a narrow response to current concerns about skills shortages. This is despite the fact that the practices of employers have contributed considerably to the current skills shortages (see below).
- 2.4. Consequently they lack balance in their application. They miss the possibility of achieving good outcomes for all students who might benefit, by focussing on a limited range of opportunities for a very few students. They are at best a solution for the few, at the expense of the many.

- 2.5. Similarly, they may work to the benefit of some industries, but only by missing the opportunity to create wider benefits.
- 2.6. There is no planning for long term sustainability and no funding commitment beyond a five year period. Having established the ATCs, and destabilised the provision of education in an area, there seems to be every possibility that the Australian Government intends to walk away from them and leave states and territories to pick up the pieces.
- 2.7. The Australian Government has missed the opportunity to take wider advice and benefit from the experience of those currently most closely involved with the delivery of VET – those working in schools and colleges and those responsible for running the current systems. It has missed the opportunity to enact a consensus agenda of improvement which would have benefited all Australian young people.
- 2.8. The initiative is further tainted by the Government's use of it to pursue its ideological agendas in:
- industrial relations;
 - the privatisation of education and training;
 - the nature and purpose of education and training
 - performance pay for teachers;
 - school based employment practices.

Indeed it appears to be driven by these agendas.

These are matters which are the subject of ongoing debate and consultation between stakeholders in the education and training community, and for which many innovative arrangements have already been found.

3. Back to the future

- 3.1. As is commonly known, technical colleges are not a new concept. They have existed in several states in the past. They were phased out, generally following considered public inquiries which found that integrated comprehensive schooling was a preferable form of organising schooling.

For instance, they were phased out in New South Wales following the Wyndham Scheme Report in 1962, and in Victoria in the 1980s along with the introduction of the Victorian Certificate of Education.

- 3.2. State governments had established specialist secondary technical schools in response to a perceived need to supply skilled labour for industry and the economy. Those skills ranged across agriculture, metal industry, building and construction, and business services (clerical and administration).
- 3.3. They were also a response by government to a social, cultural and educational philosophy that saw certain students as unsuitable for academic and professional pursuits and therefore suitable for trade and other non-professional occupations.
- 3.4. There were a number of reasons for the closure of such schools:
- Many were resource intensive and to some extent, exclusive. There was little easy movement between academic and technical schools, with neither benefiting from the practices and resources of the other.
 - Some technical schools became 'ghetto' repositories for working class kids and disengaged students from the high school stream.
 - A mis-match occurred over the time between the skills the schools were established to provide, and the emerging skills in the economy. The schools therefore no longer met the demands of the industries they were meant to serve.
 - It was acknowledged that all students needed some 'vocational focus' in their secondary education. This was especially so in the post-compulsory years (15-19) where with structural changes to the economy and the evolution into a post-industrial society, jobs were no longer available for 15year olds or for those who were completing the senior school technical curriculum.
 - It was also recognised that those students at technical college needed access to a broad general education which they were not able to receive within the limitations of a technical college.

Therefore it was judged to be a more efficient use of resources, a more equitable social approach, and more educationally desirable to educate all students under a single comprehensive approach. The reasons for revisiting an approach that has been abandoned on the basis of a broad educational consensus have not been adequately explained. One can only ponder how many of the same mistakes will be made again.

As we enter the so-called knowledge society, the same arguments that then applied to the need for a broad curriculum in the junior years which included more than just Maths and English, now apply to the senior years of schooling.

4. Responding to the skills shortages

- 4.1. Skills shortages are complex phenomena with no simple solution.
- 4.2. The decrease in public enterprises in the last two decades of the last century, in response to economic rationalist demands for smaller government and reductions in the public sector saw a significant reduction in apprenticeships in the traditional trades. This has not been compensated for by increases in the private sector.
- 4.3. Privatisation has exacerbated poor pay and conditions in many trades, making them less attractive employment options.
- 4.4. In addition, considerable hype around the advent of a “knowledge economy”, including in government publications associated with “Backing Australia’s Ability”, has encouraged a perception that traditional trades will offer limited opportunities in the future.
- 4.5. There has been a long term failure on the part of the Federal Government and industry to invest in skill development and to formulate an appropriate policy to take Australia into the future.
- 4.6. It is generally acknowledged that there is a poor culture of training amongst many Australian industries, which prefer to rely on labour hire agencies, sub-contracting, contracting out, casual employment and skills based immigration as substitutes for training and retraining their workforces. ATCs are to be situated in regions with skills shortages and high youth unemployment, but where there is a significant industry base. The only conclusion is, that where these three conditions co-exist, local industry has to date taken no responsibility for training the next generation of skilled workers. Yet this very local industry is now to be charged with governing not merely some areas of training, but a school teaching academic subjects. The AEU believes that local industry does not have the expertise to carry out such a role.
- 4.7. These are just a few of the complex contributors to the current skills shortage. However, the situation has been considerably exacerbated by a tardy and counter-productive response from, in particular, the Australian Government.

- 4.8. It should also be emphasised that the ATC proposal will not do anything to alleviate the skills shortages until at least 2010 and that the numbers involved are small.
- 4.9. Any sensible response would have sought to build on the excellent existing TAFE system, which was ideally situated to respond speedily. Instead, the Australian Government has deliberately and consciously starved TAFE of funds. Australian Government funding to TAFE in 2003 was 6.5% less than in 1997. This was preceded by a cut of \$240 million in 1996. Growth funding, introduced in 1993, was abolished between 1998 and 2000, and only re-introduced in a reduced form from 2000 onwards.
- 4.10. Public funding to TAFE has been diverted to artificially establish a competitive training market, which predominantly offers Traineeships/New Apprenticeships, but not in the trades where the skills shortages exist. Trades where skills shortages exist require substantial investment and infrastructure support.
- 4.11. Whilst there has been considerable talk from the Australian Government of the importance of increased emphasis on VET and work related programs in schools this has not been matched by anywhere near adequate funding. There has been a reliance on pilot programmes and seed funding with no acceptance of responsibility for realistic ongoing funding.
- 4.12. There has been considerable development of VET programs in schools. This has relied heavily on the dedication and commitment of teachers who have taken on workloads at an unsustainable level.
- 4.13. However, due to the poor levels of funding, VET courses which are cheaper to offer have become more common. For instance, in Victoria in 2004 only 100 of the 2780 school based new apprenticeships were in manufacturing. This could be vastly improved by using the money allocated to ATCs more efficiently and equitably.
- 4.14. The two major contributors to the skills shortages – industry and the Australian Government are the very parties which have devised the inappropriate solution of ATCs.
- 4.15. Indeed, those best placed to provide the necessary skills because they already have the infrastructure (both physical, and expertise), the current major providers of

VET, that is state/territory Departments of Education and Training, have been intentionally bypassed in relation to ATCs in a move that is clearly aimed at sidelining public provision and promoting a radical IR agenda.

4.16. Whilst in some instances it is possible to claim that ATCs are being warmly welcomed by schools, colleges, and local communities, this must be seen as an indication of the imperative for action, and fear of the negative impact such a college will have on their own school, their remaining students and thus the general wellbeing of all in their local communities, rather than as an endorsement of the specific initiative.

4.17. Schools, colleges and their teachers have become highly skilled at seizing any programs that offer additional money and adapting them as best they can within the imposed conditions to meet the actual needs of their students.

5. ATCs are being created as a privileged sector of education.

5.1. ATCs are being given a number of advantages to ensure that they have an unfair competitive edge.

5.2. These advantages begin with superior funding. The Request for Proposal document notes:

“In recognition of the additional cost of providing specialised vocational training, capital funding and other additional funding will be provided on the basis of need under the proposed legislation.”(R.F.P 1.4.3)

This additional funding amounts to \$343.6 million over five years, an average of nearly \$48 000 per student.

This will enable ATCs to operate at over 175% of the average cost of educating a secondary student, a considerable financial advantage.

Remembering this is an additional figure on top of normal funding, it also stands in stark contrast to the average expenditure of \$2235 for each student in TAFE! (Based on NCVER figures)

In addition, ATCs will be eligible for substantial allocations of the “User Choice” funds, and in an excellent position to attract considerable sponsorship from business and industry.

5.3. From this base of higher funding ATCs will be able to offer :

- Superior staffing levels, including support and industry liaison staff ;
- Better salaries;
- More professional development;
- Specialised curriculum development;
- Scholarships to attract the desirable students from competing schools;

They will also be able to spend public money on marketing to similarly attract students. (RFP 1.4.6)

5.4. In addition, they will also:

- Be able to select which students they teach;
- Be encouraged to head hunt the “best staff” (1.2.1 RFP) and those with most experience from other schools;
- Be first in line for industry placements;
- Be perceived as offering more direct pathways to employment.

5.5. However, other schools and TAFE colleges will in many cases be expected to offer similar courses with no additional funding.

5.6. From this base of selectivity and preferential treatment, ATCs will be used as a benchmark against which other schools, lacking similar advantages and in fact suffering from the disadvantages created by the existence of ATCs, will be found wanting.

5.7. Thus not only is the “success” of ATCs assured, but the “failure” of other schools and TAFE colleges is also guaranteed.

5.8. The AEU supports the provision of well funded public schools and colleges and would welcome such funding if it were made available on a less selective and privileged basis. The level of funding allocated to ATCs could have been used to make a considerable impact on enhancing the current provision of VET in schools and colleges. There are approximately 200 000 students studying VET in schools all of whom would benefit greatly by even modest increased expenditure.

5.9. The major flaw in the proposals around ATCs is that it does not consider the totality of the student population – it is at best a solution for the few.

6. ATC's will be deleterious to other schools and TAFEs in their area.

- 6.1. It is important to stress that consideration of the potential effect on students who do not attend ATCs , and on other schools and TAFE colleges and education more generally, is just as important as consideration of the internal dynamics of ATCs. Residualisation, and all its ramifications, is a clear danger in the current context.
- 6.2. The transfer of 300 students from a school or schools within an area in order to create a separate technical college cannot occur without seriously undermining the viability of the courses and programmes currently offered in those schools. Those students who do not go to the new ATC will, in all likelihood, have less choices and poorer services than they might otherwise have had.
- 6.3. Many of the ATC s are located in regional areas where there are already schools and TAFE colleges which are struggling for viability in that there are insufficient students to offer a desirable range of course options, including VET options. (Boxes 1 and 2 are two of several possible examples).

Box 1 – Gladstone

The establishment of an ATC in Gladstone could put at risk the well-regarded Gladstone Schools Engineering Skills Centre (GSESC) due to the small training market in the area. There has been heavy investment by industry and the Commonwealth and the Queensland Government in an existing industry/school partnership. GSESC has been established as a result of ANTA specific funding (\$225,939), industry contribution in terms of both dollars (\$240,000) and in kind services in partnership with local state and non-state schools. It is not in the interests of either industry or government to create a competitor in this small market particularly as the current partnership involving schools, industry, the local TAFE and group scheme is delivering significant outcomes for industry and students.

Gladstone is also the site of the Galdstone Training Network, an effective relationship between Central Queensland Institute of TAFE, local schools and the Gladstone Area Group Apprenticeship Limited (GAGAL) to provide students a pathway right from being a school based apprentice through to completion of their trade qualification. This program leverages the existing training resources, employment pools, and contacts with industry to provide a wider range of opportunities for the apprentice as well as being better able to respond to skill shortage areas.

Box 2 - Northern Tasmania

In Tasmania, the existing northern senior secondary colleges (where an ATC is to be placed) already experience large fluctuations in enrolment from year to year. The volatility has been so problematic for running courses and staffing that the two colleges have come to an agreement between them to try and maintain a balance of enrolments. One has agreed to try to keep its numbers at about 1200 and the other at about 750 for the benefit of each college. In order to do this the larger college avoids targeting particular feeder secondary schools. It also 'gave' the smaller college 200 open learning (off campus) students.

When their enrolments are affected they experience the following problems:

- staff morale is low due to staff insecurity eg staff are transferred against their will; fixed term teachers lose their jobs
- certain educational programs are no longer viable when they get below a critical mass: many of the VET courses are running with relatively low numbers at the moment but the colleges are trying to keep a broad range of subjects open to students

In order to survive and run the full range of programs the colleges are already building links with TAFE, have partnerships with industry and get corporate sponsorship.

At least one of the colleges (probably both) already has a gender imbalance (with more females) that will be exacerbated by the gender bias of the ATC. Gender differences/patterns like this have an impact on subject choices, staffing, facilities etc.

The availability of workplaces for student vocational placement has always been a problem.

There are also concerns that TAFE programs such as automotive could be under threat if the training of first and second year apprentices is taken away from TAFE.

The TAFE Tasmania's Alanvale campus delivers the training for the majority of the states first and second year apprentices. The establishment of an ATC could obviously take students away from TAFE. Questions about the financial efficiency and productivity of having both TAFE and the ATC must be asked.

- 6.4. The creation of ATCs will create shifts in enrolment patterns which could undermine the capacity of these schools to offer a comprehensive curriculum, and this is a huge equity issue.
- 6.5. It should, of course, be noted that students in ATCs will maintain a right to a place in the local public school, and it will be this school that will have to provide the secure base to which students return if things do not work out at the ATC. Schools and TAFE colleges will suffer more volatile enrolments as students move in and out of ATCs, making staffing more difficult and possibly leading to greater casualisation.
- 6.6. The creation of ATCs could also lead to a two tier system of VET courses, with those located in ATCs potentially seen as being of higher value than those in schools.
- 6.7. A further problem lies in the fact that both schools and TAFE have a teaching force demographic which will lead to considerable levels of retirement in the next decade, compounded by the world wide teacher supply problem. The creation of separate ATCs at this time will further compound the problem as many of the most experienced VET teachers will be drawn from schools and TAFE.

7. The creation of ATCs will duplicate and undermine existing provision of VET and existing TAFEs.

- 7.1. In many areas where ATCs will be created there are already excellent cluster arrangements for VET involving schools, TAFE and business and community partnerships.
- 7.2. The creation of an ATC has the potential to undermine these existing arrangements. It can take out selected students and teachers and develop courses which undermine the viability of existing courses and arrangements, and yet there is no obligation to those students disadvantaged through not being able to get into the ATC.
- 7.3. RFP, 1.3.4 asserts that “colleges will not duplicate existing infrastructure” . However, in practice there is every probability that considerable duplication will occur. For example, the Illawarra Information Technology Centre (ITeC) which was one of the successful proposals from NSW, is now looking for a site on which to build their college, thus duplicating existing infrastructure. It is impossible for

any proposals to have regard for all infrastructure in an area, there will be many instances where geographic, time and travel considerations will make it impracticable to fully utilise existing infrastructure. Proposals may take account of the infrastructure of those participating in the ATCs, but are unlikely to consider the flow on effects to schools and TAFE that will be deleteriously affected by the new ATC.

TAFE colleges and public schools are best placed for this provision but are sidelined because of the ideological divide between State/Territory and Federal Governments.

7.4. The sharing of facilities across more than one organisation is an area fraught with problems, disputes and ill feeling. This is likely to be exacerbated by the unequal nature of the relationship between a privileged ATC and a disadvantaged school or college.

8. Concerns about the course viability of ATCs

8.1. ATCs are intended to enrol 300 students across Years 11 and 12. This is below the average enrolments in existing Senior Secondary Colleges and equivalent years in other schools. Although the student body of an ATC will have a narrower range of curriculum interests than a normal comprehensive school, there are still concerns that this will impose a limited capacity to offer curriculum choices.

8.2. In particular there are concerns about the capacity to offer students alternatives should their aspirations, aptitudes or interests change whilst they are at an ATC.

8.3. There are dangers in assuming that all students follow a path they have already determined by the end of Year 10. Many students enter Year 11 with no clear idea of where they aspire to go after school completion.

8.4. The limited offerings of an ATC can constrain their range of choices in a number of ways.

8.4.1. Firstly, they may desire to go to an ATC and therefore select a trade that is not their first preference as it is not offered at the local ATC.

8.4.2. Should they desire to change their trade later they may be seriously constrained by the trades offered by the ATC.

- 8.4.3. Should they wish to pursue a non-trade course they would probably have to leave the ATC. However, on such a transfer they could well find that the courses they have undertaken at the ATC do not allow them to follow their desired path.
- 8.5. Whilst the rhetoric of ATCs requires that “students will undertake academic studies leading to successful training while keeping open the option of further study including university entry” (RFP, 1.1.3), it is far from clear how this can be achieved in a way that equates to the options open to those in larger schools with a more comprehensive approach.
- 8.6. Even in these schools, the compatibility between VET courses and University entrance is often already problematic. In some states/territories, VET courses do not contribute to university entrance rankings. For instance, in NSW only 2 VET units contribute leaving a further 8 units to come from other studies. The result is that the additional studies students must undertake on top of their VET courses and part apprenticeship work will create such a burden, they will be unlikely to apply for university entrance.
- 8.7. There are also concerns about the workload that will be imposed on students in ATCs. Given the need to combine study and workplace experience in order to participate in a School Based New Apprenticeship (SBNA), it would impose considerable workload and potential undesirable stress to simultaneously pursue an academic pathway leading to University.
- 8.8. An additional problem arises in regard to the viability of support services such a small school can provide. Whilst it would seem they will receive preferential treatment in regard to careers counsellors, personnel and physical support such as libraries and so on will be either very expensive to provide or not supplied.
- 8.9. Similarly students in ATCs will be limited in the range of other students with whom they may interact. Their circle of contacts will include only those of similar age and study areas.
- 8.10. The AEU is also concerned that in fact, despite the rhetoric, students leaving ATCs will be no more than halfway towards the completion of an apprenticeship. What guarantees will they have of both employment and study to complete this?

8.11. There are also a number of issues around locking students into limited employment opportunities. There have been a number of examples in the recent past of companies which are major employers in regional areas closing down or moving overseas with disastrous consequences for employment in the area. It is not desirable that students be caught in this web. Student's schooling should maximise their employment options. This would be a particular danger should courses offered be enterprise, rather than industry specific.

8.12. It is also the case that many young people move location in the years after school. Whilst there are sound reasons to seek to retain them in regional areas, this should not be achieved by limiting their options to gain employment in other industries elsewhere.

9. Equity concerns

9.1. As noted at 1.4 – 1.7 above, the inclusion of a number of equity criteria as Part Two Criteria at 2.3.3 in RFP is not of itself a guarantee that equity considerations will be sufficiently dealt with.

9.2. The proposal for ATCs has an inherent weakness in regard to equity. Without sustained effort, monitoring and reporting this is unlikely to be overcome. This must ensure the equitable inclusion of :

- Students with disabilities, including workplace experience and work opportunities;
- Students from non-English speaking backgrounds;
- Indigenous students;
- Female students;
- Students from lower socio-economic groups.

9.3. Whilst endorsing the need to encourage and attract female students into traditionally male trades (RFP 2.3.3.2), the AEU also notes that the trades included (RFP,2.3.2.6) are gender biased. For instance, there are considerable shortages in child care, a female dominated occupation, but that is not included within the specialist options.

9.4. There are also problems of equity created by the funding mechanisms which will see some ATCs operate as public schools and therefore largely free of fees, whilst

others will be operated as private schools. The cost of attending an ATC will therefore vary considerably from region to region, which will disadvantage some students in some regions.

9.5. These arrangements will not only copy into the ATC system the inequities that already exist between public and private schools but may also exacerbate them, since they might well be selective private schools essentially fully publicly funded.

9.6. It should be noted that the Bill itself contains no mention of equity in its Objects.

10. Employment conditions

10.1. The AEU notes (RFP, 1.3.7 – 1.3.9) that principals will have the autonomy to offer performance pay and must offer the option of an Australian Workplace Agreement, whilst complying with the right to freedom of association.

10.2. The AEU is opposed to both individual performance pay and Australian Workplace Agreements.

10.3. Performance pay is a widely discredited and counter-productive managerial strategy, which results in a decline in morale and undermines staff commitment to improving performance, since while a few staff are rewarded, the majority perceive that their contribution has been overlooked or is not valued.

10.4. A system which empowers school principals to use performance pay as a way to attract and retain quality staff will unfairly advantage schools with greater discretionary funding. Within the public education system, it is those schools in higher socio-economic areas which are more able to raise funds from the parent community. These schools already have a relative advantage in attracting and retaining quality staff, as a result of the comparatively lower incidence of student behaviour problems and the greater social capital which students bring to the classroom. A policy which has the effect of adding financial incentives to the already more attractive working environments of these schools will exacerbate rather than address the difficulties in attracting the best teachers to the most difficult schools.

10.5. Australian Workplace Agreements and performance pay are not appropriate for education workplaces, where a culture of collegiality is essential. The process of education is a team effort, and systems which result in some individuals being rewarded while others are not will undermine the open collegiality on which

quality depends. The prospect of gaining comparative individual advantage may lead to good ideas not being shared, and to some people claiming individual credit for collective effort. Over time, this will undermine trust, promote resentments and reduce genuine participation in the collective effort of improving the school. The misguided introduction of these salary reward models, which are designed to improve quality by introducing a competitive incentive for good performance, will actually undermine quality by promoting competition at the expense of cooperation.

- 10.6. The AEU also opposes the introduction of individualised wage-setting, particularly via AWAs where the outcome remains confidential to the employee and the employer, because of the wealth of research which shows that individualised wage-setting reinforces discriminatory advantage. Women, staff whose mobility and/or hours of work are limited by family responsibilities, Indigenous staff, casuals, young workers, staff from non-English-speaking backgrounds and workers with disabilities are all likely to do comparatively poorly in the negotiation of AWAs and performance pay. The research shows that men already enjoy accelerated career paths in education employment. The proposed salary-fixing instruments will provide a further avenue for disparate advantage on the base of sex, race, national identity, sexuality or physical ability. With the salary outcomes of AWAs kept confidential, these forms of discrimination will be kept out of view, enabling them to flourish unchallenged.
- 10.7. Under the current federal industrial relations laws, it is open to employers to use AWAs rather than to enter into collective agreements. Despite the fact that they currently have this choice, no public education employer in Australia is choosing to use AWAs. Both employers and employees have chosen to enter into collective agreements (or NSW state awards). It does not enhance choice to compel the offering of AWAs. The choice to do so is already available. *Compelling* employers to use AWAs as a condition of funding has nothing to do with choice.
- 10.8. In answer to questions on the Meet the Press program on July 17, Minister Hardgraves suggested that employees of ATCs would have a choice between AWAs and working under the award conditions. This reveals that the government

has no commitment to genuine choice for ATC employees. The only circumstance in which there could be any semblance of a genuine choice is if the ATCs were required to also negotiate a collective agreement with the unions, reflecting the prevailing terms and conditions for teachers and other school staff under comparable collective agreements. In that case, the choice available to ATC employees would be between the AWA and the Collective Agreement, not the underlying award conditions.

- 10.9. Enterprise bargaining has been prevalent in the education industry for over a decade, and during that period federal awards have generally been adjusted only for safety net increases. The gap between the underlying award rate and the actual rate paid through Collective Agreements is now in the order of ten to fifteen thousand dollars a year for school teachers. For example, in Victoria, the Teachers' (Victorian Government Schools) Conditions of Employment Award 2001 [AW806227] provides a minimum salary for a four-year-trained beginning teacher of \$34,550 p.a., and a top minimum salary for an unpromoted classroom teacher of \$46,436 p.a. These rates compare with the current Certified Agreement for Victorian government school teachers [AG835968] of \$43,479 and \$60,916 respectively. Thus in Victoria the Award is \$8,947 p.a. below the prevailing rate of pay for beginning teachers, and \$14,480 for experienced teachers. While the precise figures vary from state to state, and between the public and private sectors, the scale of the gap between the minimum rates prescribed by federal awards for teachers and the actual rates provided for in collective agreements is comparable in all cases. Similar gaps apply to allied staff in schools. To suggest that working on the award rate is a serious choice for skilled staff is entirely disingenuous. In reality, a "choice" for an experienced teacher between an AWA at \$60,916 and reverting to the award rate of \$46,436, is no choice at all. Without making the choice of a collective agreement also available, the government proposes to make employment in Australian Technical Colleges conditional on staff abandoning their internationally recognised right to collective bargaining.
- 10.10. Whilst it may be that some ATCs offer AWAs with comparatively attractive salaries, at least in the first instance, to facilitate the head hunting of desirable employees from existing schools, an equity issue in itself, the scope for

undermining employment protections using AWAs is considerable. Arbitrated decisions in the AIRC have concluded that the regulation of teacher workload is an essential measure to provide real protections against excessive working hours, and associated stress, injury and burn-out. Many of the mechanisms developed by the parties for the regulation of teacher workload involve collective processes, consultation and appeal mechanisms. Individualised employment arrangements are ill-suited to the regulation of collective processes, and leave employees open to individual pressure to take on more “flexible” work arrangements, including holiday and out of hours work. There is a real danger that ATCs could “burn out” their employees.

10.11. The short-term nature of the funding commitment for ATCs and the lack of integration of ATC employment with existing systemic arrangements for teacher and allied staff employment means that ATCs have a built-in incentive to offer precarious rather than ongoing employment. In a climate of general teacher shortage and trades skills shortage, it is also likely that ATC employees who do not have ongoing appointments will leave to take up opportunities for more secure employment elsewhere. The result will be an even greater turnover of staff than one might normally expect even in a workplace with a high proportion of casual and fixed term appointments.

10.12. Quite apart from the undesirable consequences of job insecurity for employees, a transient teaching and allied staff workforce undermines the capacity of schools to build constructive educational relationships with students and their families, and thus directly impacts on the quality of education.

10.13. Unless there are formal accountability and reporting requirements assessing the incidence of precarious modes of employment, the use of AWAs can be used to mask the extent of the problem, both from the communities the ATCs serve, and from government.

10.14. The AEU notes that all schools will operate under relevant state and territory legislation, including that related to registration and qualification requirements for school staff. Existing classification structures and qualification requirements have evolved to provide minimum standards on which the community is entitled to rely. An atomising of industrial regulation by using AWAs as the dominant

instrument opens the door to the introduction of a grab-bag of ad hoc classifications and qualification standards. With a shortage of teachers qualified in trades areas, and of tradespersons with teaching qualifications, there could well be pressure for a watering down in this area and an increase in the employment of people who are not fully qualified to teach, on “permission to teach” status or similar. The AEU believes it important that current standards be maintained. Genuine recognition of prior learning is desirable; watering down of entry qualifications is not. Subject knowledge and experience cannot be substituted for pedagogical knowledge.

11. Conclusion - how vocational education and training could really be improved

- 11.1. Solutions to skills shortages and the disengagement of young people from education, particularly in the middle years of schooling, depend on the capacity of a society to provide a comprehensive public education to all its citizens. At the very least, strengthened partnerships between key stakeholders, which must include state and commonwealth governments, as well as key unions, community and industry groups are the only way to address both the skills shortage crisis, and the disengagement of young people from education.
- 11.2. The danger in initiatives like the ATCs is that they encourage competition between education and training sectors for already scarce resources, and encourage simplistic solutions to complex problems which require a whole of community response.
- 11.3. While the involvement of industry in preparing young people for a future in the workforce is clearly important, it is critical that such preparation is balanced in such a way as to ensure that students maintain their autonomy, and their capacity to make informed decisions about their future, their rights and their responsibilities.
- 11.4. Ironically, the Howard government’s emphasis on making the education and training system, and ATCs in particular, industry focused and led comes after more than ten years of industry dominance in the VET sector which has delivered unprecedented levels of skills shortages across the whole Australian economy.

- 11.5. The structure of the ATCs is also an obvious attempt to promote the Howard government's agenda of increasing privatisation and competition in education, further destabilising the public education system, undermining the work of state governments and other stakeholders in addressing the skills crisis, and removing the influence of trade unions both in education and in society.
- 11.6. It is a pity that the money that is going to the ATCs has not been spent more wisely. An initiative based on existing structures would have been so much more efficient and productive.
- 11.7. The AEU would welcome genuine attempts to improve the delivery of vocational education and training in schools and colleges. There is no doubt that the education system as a whole has been struggling to address issues around vocational education. In large part this is due to a lack of funding, leadership, and proper consultative mechanisms.
- 11.8. Any attempts to seriously deal with the problems that vocational education and training is supposed to solve in society require commitment from all levels of government and would include:
- A positive and collaborative partnership between all levels of government, and relevant communities and industry stakeholders.
 - More funding and support for existing schools and VET courses.
 - Supporting strategies and resource models to enable schools, TAFEs, industry and government to work cooperatively to meet community and industry needs.
 - Closer links between existing courses and business and industry.
 - Provision of regional/cluster VET coordinators and careers advisors for all VET students.
- 11.9 Such an approach would be far preferable to one which experiments with students and systems with a blatant disregard for building on the best of what already exists.