

# Submission to Productivity Commission Review of VET

## Prepared by:

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I offer the following observations on this Interim Report:

- a. **Purpose of VET. Page 5.** There is reference to VET being "... geared more to younger people seeking to acquire skills to obtain a job *rather than* people who need to upskill or reskill for an existing job." This is a foundation argument that needs to be clearer. My recent argument that entry level employment calls for a different strategy to upskilling training appears a feature of this statement, but greater clarity of purpose is warranted.
- b. **VET and Higher Education. Page 6.** I agree with the statement that there is little over-arching policy linking the sectors. In practice we are seeing more and more a merging of roles without controls.
- c. **Decrease of Employer Satisfaction. Page 8.** In my opinion, this is because VET has not delivered the expectation of quality contributors to the skilled workforce requirements of employers. It has shifted focus to entry level employment goals offering these early entrants as quality workers.
- d. **Completions in Remote and Rural Areas. Page 8.** Access to training in remote and rural areas has declined with the closure of TAFE campuses and inadequate 'regional loadings' for RTOs.
- e. **Accountability of Government Grants.** A new Agreement must restore accountability of the States to management and usage.
- f. **Certificate III Guarantee. Page 11.** Entitlement strategies will only succeed when there are sound selections processes.
- g. **Contestability. Page 12.** Public providers (TAFE) must receive some funding that is outside of contestability. This accommodates increased access to training in regions that are not economically viable to private RTOs. It promotes 'benchmarking' and close linkage to government strategies.
- h. **Reliability of Career Advice in Schools.** This criticism has been enduring. There is a role for GTOs in this space and using GTOs would help close in on extensive networks of employers locally to the school(s).
- i. **Mentoring and Pastoral Care.** This report like many others over the past 20 years, highlights the importance of mentoring and pastoral care but does not acknowledge that Group Training remains the leading national exponent and champion of this will best practice. Why is there never a recommendation to support and expand this role for Group Training?
- j. **Industry Training Levies.** Consideration around industry training levies should first identify where and how such levies might be applied. In Queensland the Building Sectors Levy has not one dollar of \$47 million annually on average allocated to support Certificate III training or to incentivise employers to take on more apprentices. The argument is that User Choice is for that purpose so the BCITF is directed at Cert IV and above raining for existing workers and research and development. Most funding is past to RTOs.

- k. **Commonwealth and States Responsibility for Regulation of Apprentices. Page 196.** Why? Why not truly nationalise this responsibility?
- l. **Defining an Apprenticeship. Page 197.** There is no definition of “apprenticeship” in the Fair Work Act. Establishing a clear and consistent definition is a good starting point. I believe that in that definition must be the purpose of training.
- m. **New Trials of Apprenticeships Models.** Consider carefully the successful National Apprenticeships Program model.
- n. **Current \$4,000 incentive. Page 203.** Reversing this incentive back to pre-2003 when \$2,500 was paid upfront in commencement and progression payments must be considered to fund the risk and increase commencements.
- o. **The Overlap of Apprentice Support Services. Page 207, 210.** The creation of this overlap occurred when the standing service of Group Training in mentoring and pastoral care was not acknowledged but rather duplicated and paid for from ASSN when the service was already delivered. Why was this duplication allowed when the service by Group Training should have been recognised as “industry best practice” and Group Training paid for this delivery? The statement that GTOs and RTOs could better plan their services and avoid duplication is presumptive that RTOs and GTOs are the duplicators. Where the service of mentoring and pastoral care is an established and critical feature of the business model of GTOs, the duplication should be eliminated from the ASSNs.
- p. **Poor Continuity of On-the-Job Rotation. Page 208.** If correctly conducted the benefits of “rotations” far exceed any negative view of poor continuity.

In summary, this report spotlights many areas that deserve review and if improved would create a more efficient and effective significant spend on VET. Several the conclusions are contested and the threshold arguments around who is best placed to deliver a service need further consideration. Such arguments would identify the Federal Government must exercise greater control on hold taxpayer funds are accounted for VET.

The role and contribution of Group Training holds significant potential to make a far greater contribution to Government strategies.