

SUBMISSION ON THE PRODUCTIVITY COMMISSION (PC) ISSUES PAPER ENTITLED ‘VOCATIONAL EDUCATION AND TRAINING WORKFORCE’

This submission answers the PC questions below:

What are the particular features of the vocational education and training (VET) sector that need to be taken into account in this study of the VET workforce?

As its name indicates, the vocational education and training (VET) workforce must first be understood as being there to serve the needs of industry because most students are presumably undertaking study in the hope of getting a particular kind of job and employer. The current and future needs of many potentially related consumers, communities and environments are ideally also identified, prioritized and met in related regional, national and international industry and community contexts to gain more clearly coordinated and transparently delivered products and services. This will also enable identification of better quality, cheaper products and services to meet an increasingly wide range of diverse needs and situations more equitably across all boards. Workers in VET are producers in such regional industry and community contexts.

It is therefore a mystery why the PC ignores the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes and the Australian and New Zealand Standard Classification of Occupation (ANZSCO) codes in its current position paper. This is also problematic because earlier PC reports have naturally recommended the use of ANZSIC codes for work related classification and measurement purposes. Why was this not considered in regard to the current VET workforce issues paper?

What criteria should the Commission use to define the scope of the VET sector for the purposes of this study?

The ANZSIC and ANZSCO codes necessarily define the primary industry structures which VET is ideally established to serve through first serving students, and therefore serving also the broader communities in which all must normally work (paid or unpaid) and ideally may study flexibly and cheaply as will. The identification, prioritization and delivery of VET workforce products and services are ideally undertaken in this primary industry context and in consultation with relevant community representatives.

The United Nations (UN) and its key agencies, the World Health Organization (WHO), the International Labor Organization (ILO) and the UN Education, Scientific and Cultural Organization (UNESCO) define a community as:

- a. a group of people with common interests who interact with each other on a regular basis; and/or
- b. a geographical, social or government administrative unit

The PC Issues Paper entitled ‘Contribution of the Not for Profit Sector’ used the ideally related concepts of *service delivery*, *advocacy*, *connecting the community and enhancing the community endowment* as primary categories for identification of services related to the achievement of the community good. These categories appear useful because they also appear to present comparatively clear, comprehensive and measurable functions or activities in relation to commercial as well as non profit organization and investment.

The Convention on Biological Diversity (UN 1992) also appears useful for developing VET workforce direction in regional industry and community contexts as its ecosystem approach is ‘a strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way’. The development of the Australian national reserve system has been based on the biodiversity related principles of comprehensiveness, adequateness and representativeness (CAR). These international scientific principles are also related to the development of the Interim Biogeographic Regionalization of Australia (IBRA) system which divides Australia into 85 distinct biogeographic regions and 403 sub-regions. This provides a scientific land planning framework and tool which may aid any development proposal evaluation and realization of the CAR principles in the related development of all national and regional planning for more sustainable development.

Are there particular issues affecting the VET workforce that arise due to the increasing overlaps between the various education sectors?

In order to understand what the above issues are one must consider the VET workforce primarily in terms of its capacity to serve people who wish to work in a particular industry or job or for a particular community. One therefore ideally first identifies the major needs of their potential employers or hosts, preferably in a related context of specific ANZSIC, ANZSCO or other community categories (which may also be unpaid).

Industry needs for VET providers may first be categorized in terms of their severity and frequency. For example, an organization or industry may need only a few workers of a particular type, but such trained workers may also be absolutely crucial for effective organizational or industry operation. On the other hand, many organizations may have a constant need for many people with more basic communication, literacy, mathematics, or information technology skills. Some trade and related competency needs identified by industry may often be severe and frequent. The VET workforce ideally exists to identify and serve such needs quickly, flexibly, cheaply, and to the highest standard possible.

What structural trends within the economy should be taken into account when considering future demand for VET?

The key structural trends and related needs were clearly expressed by Sharan Burrow, President of the Australian Council of Trade Unions (ACTU) and Peter Andersen, Chief Executive of the Australian Chamber of Commerce and Industry (ACCI) in an article in the Australian Financial Review (AFR, 17.6.08, p.71). They said:

We need to influence the design of Australia's emissions trading scheme that the Rudd government proposes from 2010. This includes measures to address affordability and social justice issues, especially for low paid or fixed-income people and families.....We need to work out how to provide the proper support for the carbon-intensive industries, to minimise impacts on jobs and economic activity. This does not mean get-out-of-jail-free cards for industries but sensible measures in the permit system as well as funds to aid cleaner production. And above all we need to invest in innovation and development of technology that makes us operate businesses and work in a more sustainable way. This includes sharing the knowledge in our region, for this is a global challenge.

The necessary financial direction is also consistent with that recommended by Joseph Stiglitz (2010) in his book 'Freefall: America, free markets and the sinking of the world economy'. He points out that there has been so much success in labour saving production in much of the world that there is also a problem of persistent unemployment and low demand, which is then dealt with poorly through increasing personal or government debt. A new global vision requires a new economic model involving sustainability. This ideally puts less emphasis on generating individual demand for material goods by those who are already over consuming and requires a shift in the collective direction of investment towards saving natural resources and protecting the environment – the factors of production and quality of life the market undervalues.

The US view of risk management, described by Stiglitz, depends on spreading financial risk, rather than managing a pool of funds effectively to achieve injury prevention or rehabilitation goals related to environmental, social and economic risks which result from production or environments. The US treatment of risk simply multiplies risks and costs instead of reducing them and also promotes economic instability and all its attendant ills.

On the other hand, Australian studies of workers compensation, Medicare, professional indemnity and related insurances have repeatedly shown that industries should not give away the ownership of their insurance or related funds when they can reap the benefits of fund investment themselves, as well as overseeing more stable, more effectively data driven and more competitive administration of injury prevention, rehabilitation, investment and lump sum or pension management systems by fund managers approved to do so. Just as there is no good reason for premium holders to give away the premium pool for other underwriters to reap the benefit of its investment, there is no good reason for a legal system which takes adversarial rather than more scientific and democratic approaches to problems. There are many difficulties in ending injury claiming systems which depend upon the slow, uncertain, difficult and costly 'proof' of fault. Courts deliver large lump sums which may also be hard and costly for the injured to manage. The result for society of the above financial and legal combinations is more unfair cost.

The VET workforce can assist the major necessary change described above. In these regional industry and community contexts VET related implementation of the UN Declaration of Human Rights, including the Covenant on Economic, Social and Cultural Rights, the Covenant on Civil and Political Rights and related instruments such as the Rio Declaration on Environment are ideally also considered. An illustrative discussion of regional development to attain mental health is attached which also allows all human disability to be addressed in broader regional development contexts where all health and sustainable development are designed to attain diverse and flourishing life. Older VET workers may welcome the chance to teach on a part time or casual basis in this context.

How well-placed is the system to respond to these trends?

The current VET workforce cannot easily meet the required direction outlined above without the assistance of mass media as the direction is extremely new and demanding but the VET workforce is comparatively old. Australia is a huge country with a comparatively small but very widely spread workforce. It is not realistic to expect people who often just want work and who may also have to get up very early to undertake it, to travel large distances on a regular basis to undertake face to face education as well as their work.

An Open University approach to teaching and learning on the job is therefore recommended later. This is ideally supported by open curriculum content for key skills development and related education, identified in key industry and regional settings and disseminated via websites, books, videos, radio, TV or other suitable media. From regional management perspectives the ideal aim is to facilitate and collectively identify and manage the key social, environmental, risk and related investment needs which have been identified in regional communities, together with government and other profit or non-profit investment sources, such as industry superannuation funds.

Do you agree with the terminology used in this paper to refer to the three broad groups of employees (box 2) identified in the VET sector? If not, what alternative would you suggest and why?

Like this PC issues paper, the terminology used in box 2 appears to be driven by opaque industrial interests rather than any internationally or nationally recognised scientific approach or related data. The distinction between VET *practitioners* and *professionals* is too vague to be useful. From my previous experience as a lecturer at Sydney University, I guess that many *general staff* might also be performing duties that could be found in either of the other two categories. The alternative, more consistently useful approach is to classify VET workers primarily according to the ANZSIC and ASCO work categories that their production ideally seeks to serve through first serving students.

What key objectives is the VET workforce seeking to achieve?

Their ideal answer to this question has already been provided by the writers of this issues paper in Box 3 on the previous page so I have no idea why it has been asked. Who knows what the current VET workers seek to achieve – more money and status for less work, a good retirement package, a job close to home, a better boss or colleagues, etc? Some may want to disseminate their teaching content as widely, flexibly and effectively as possible via appropriate mass media. These people should be identified so their special willingness to serve others can be utilized as effectively as possible, instead of hindered. Website content on www.Carolodonnell.com.au is offered in this context.

Box 3 (p. 10) outlines the ‘Objectives and Outcomes of the National Agreement for Skills and Workforce Development’. You should note, however, that one cannot logically define an outcome before the steps have been put in place to achieve it. One can only speak logically of an *intended* outcome, which may or may not be achieved as a result of strategic action. Therefore, the ‘Outcomes’ in Box 3 are actually examples of additional objectives. They are NOT outcomes. (See more explanation of this problem in the letter to an officer of the Institute of Public Affairs of Australia following this submission).

Should the workforce be assessed against its capacity to achieve these objectives?

Those who approved and who designed the strategies to achieve the stated objectives are ideally to be assessed, along with their strategies. For this assessment one ideally asks (and measures) whether their approved strategies achieved their approved objectives after a specified period (e.g. 5 years) or not. The objectives and strategies may then be repeated or redesigned in the light of this earlier period of experience and its outcomes.

This national and regional management approach should be already known by those familiar with key requirements of occupational health and safety acts, which I assume would be all the people in the VET workforce. The National Goals, Targets and Strategies for Better Health Outcomes and related publications naturally take the same approach.

In order to undertake this risk (or problem) management process the regional managers normally **consult** with relevant others and establish the work context for the undertaking (*in this case the undertaking is providing appropriate VET*). The regional managers then **identify** the risks or problems (*in this case shortages of labour*), which appear to exist in that regional work context. The risks are **analyzed and prioritized** in terms of their likely severity and frequency. Strategies to **treat** the risks are then devised, implemented and **monitored**. The outcome of these strategies is then **evaluated**. This process is also broadly consistent with the basic requirements of quality management and environment management as they are outlined in international standards (ISO 9004.1 and ISO 14004).

An individual teacher can only be assessed in regard to those aspects of the objectives which she has the power to achieve. She is likely to be a very small piece in a much bigger picture which she has comparatively little understanding of or influence over. She may only be expected to know her specified subject area and to teach it effectively to an appropriate cohort of students, who preferably have reasonably similar capacities.

**What metrics should be used to measure achievement of those objectives?
Is information available relating to those metrics?**

Effective measurement is ideally designed to relate to the achievement of the stated objectives (Box 3 p. 10). The first stated objective relates to the necessity *'to develop the skills and qualifications needed'*. This objective, later objectives and all related measurements are likely to be most logically approached through a prior examination and identification of related industry and community needs guided by ANZSIC and ANZSCO categories and related community requirements. These may often overlap. For example, competent expression in written English on one hand or in mathematics principles on the other, are respectively common to a wide range of jobs across all industries.

Any assessment of the individual teacher can only depend on knowing *exactly what she is teaching* (as distinct from expected to teach) and how she teaches it. The level of competence of the students' work products may also aid the assessment of the teacher. Openness is essential for judgment of education quality in all cases because education choice and judgment of quality depend on the capacities and interests of the learner and also on the expectations of the potential employer and related clients and communities.

The experience of the Open University (OU), first proposed in Britain by Michael Young in 1962 is instructive in this context and consistent with the strategic direction proposed. Walter Perry, the first OU Vice-Chancellor (VC) began work in 1971. Perry said later:

I came to the OU from a wholly traditional background, having spent most of my working life as a member of the staff of the Medical Research Council and as Professor of Pharmacology at Edinburgh.....I had heard about the University of the Air, but I regarded it as a political gimmick unlikely ever to be put into practice. It wasn't until I read the advertisement for the post of VC that I began to think seriously about the proposal and the challenge presented. It wasn't that I had any deep-seated urge to mitigate the miseries of the depressed adult; it was that I was persuaded that the standard of teaching in conventional universities was pretty deplorable. It suddenly struck me that if you could use the media and devise course materials that would work for students all by themselves, then inevitably you were bound to affect – for good – the standard of teaching in conventional universities. I believed that to be so important that it overrode almost everything else. And that is what I said in my application. (Quote from the OU website).

Nationally or regionally, it is difficult to discuss measurement to ascertain whether any objectives have been achieved until one has first devised the apparently necessary strategies to achieve them. The attached submission on the Digital Dividend Green Paper provides the following VET strategy when it answers the questions: *Should digital dividend*

spectrum be used to allow expansion or enhancement of existing broadcasting services? What would it deliver? It should deliver:

1. The curriculum content for key skills development and related education;
2. Critical supporting information for communities to contribute to, understand, debate, manage and evaluate the outcomes of Australian government and related local, regional and international industry and community goals and directions;
3. Other Australian cultural content which is critically designed for use at home and for export, in line with United Nations conventions and related international standards and directions where appropriate, which other nations besides Australia may or may not have adopted.

Appropriate VET workforce and certification strategies require related consideration and development in this context.

Besides radio, TV, websites and work books, other 'killer apps' may commonly be **Email**, because it allows remarkably fast and broad communication. It is easy to use and also leaves a helpful and well organized record for further evaluation. **Google** is also revolutionary in providing immediate access to the most wonderful range of reasonably reliable information that we have ever had. In my view, comparison makes sorting for information quality easier, not harder, as traditionalists claim. This immediate access is also central to managing projects to achieve social, environmental and economic goals well and fast. **Powerpoint** may assist the non-English (or other language) speaker to understand the heart of the issues discussed more fully elsewhere. **Videos**, like the kind the Sydney Morning Herald gives customers for free would be excellent for many purposes, like skills development and for use on TV.

Should the Commission think about particular subsets of the VET workforce? If so, how could these subsets be defined and why do you hold that view?

The core work that people do varies enormously across the nation, its industries, occupations and regions. Therefore the core expertise of teachers will often vary too. They ideally prepare students to undertake very diverse work to the satisfaction of future employers and their related communities. To ignore industry, occupation and related knowledge 'subsets' of the VET workforce is totally unacceptable.

I normally respect the work of the PC but find the Vocational Education and Training Workforce Issues Paper comparatively uninformative and illogical. The writers appear to know almost nothing of value on their given subject and their questions often appear to treat the reader as if the latter is an expert, as distinct from a mere participant, in the field in which the writers should be the guides, but which they seem to know little about.

As the reader of a PC issues paper, one needs to have confidence that those who produced it have a basic degree of intellectual competence in the issues they are addressing, so as to pose general questions and debates to which we may respond from our particular perspectives, to help their expert deliberations further. If a consultation is controlled by apparently ill prepared people who appear driven by secret narrowly vested interests of their own, the consultation appears largely to be a waste of time and money.

See the related discussion of objectives and outcomes below and the related submission to the Digital Dividend Green Paper which is attached along with discussion of mental health and related development to achieve it.

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THE WORD 'OUTCOMES' AND ITS MANAGEMENT IMPORTANCE

Dear Craig

I refer to our discussion at Sheridan Dudley's talk for the Institute of Public Administration of Australia (IPAA) last night, entitled 'Stools, bicycles, frogs and pigs – a tale of improving performance'. Specifically, I strongly objected to

Ms Dudley's statement that the specified management 'outcome' of particular activities could possibly be the return of a platypus to a river, before the actual project activities to make this possible had taken place. I said that initially, the return of a platypus to a river could only be the project's aim, and the project outcome could only be established later. Logically, one has a project aim. Strategies to achieve the aim are then undertaken. The outcome of the project might be the return of a platypus to a river, or the failure of this to occur.

I argued that mine is clearly the way people speak, and to call an aim or goal an outcome, as Ms Dudley did, does extremely confusing violence to the normal English language.

To be sure, one may have an **expected project outcome (an hypothesis?)** and an **actual project outcome**. However, to forget the words 'expected' and 'actual' in any related discussion about management risks one being taken for a blithering idiot, in my opinion. I learned my corporate planning perspective in the NSW public service, under the Greiner, Liberal government. The approach seemed very good to me and also consistent with the writings of Peter Wilenski, who worked under the earlier Labor administration. God knows what has gone on in government in the meantime, if you are now seeing Ms Dudley's management approach as legitimate rather than wrong and confusing.

Taking consistent approaches to management at the Commonwealth and State level is vital for clarity, transparency, good operation and all related cost-effectiveness. For example, the book, 'Better Health Outcomes for Australians: National Goals, Targets, and Strategies for Better Health Outcomes into the Next Century', provides a national health promotion and related project management approach which dovetails with the one I was taught and used in the NSW Department of Industrial Relations and the WorkCover Authority, during the 1980s. This is a good beginning for sustainable development. However, I am now very worried that Ms Dudley's approach to outcomes is widespread.

As a result of our discussion, you and I agreed to consult dictionaries about the meaning of the word 'outcome'. I report on the results of this below. I regard this as a very important matter because if I am correct in my argument below, then I now also find that the 'Outcomes and Outputs Framework Guidance Document' provided by the Commonwealth Department of Finance and Administration is confusing and wrong in its approach. Related Google entries indicate that people appear to be finding the term 'outcome' confusing at best. Under the circumstances, I would be the last to blame them.

In a related management connexion I attach a paper which refers to the discussion paper by the ALP Advisory Group on Federal-State Reform, entitled 'A Framework to Guide the Future Development of Specific Purpose Payments (SPPs)'. I also draw your attention again to the apparent differences between the approach taken to risk management by the Australian Greenhouse Office on one hand and by the NSW OHS Act and all Australian governments engaged in health promotion on the other. If any platypuses are to be returned to any rivers in future, it is vital for government to get its ideas on management straight, in my opinion. We cannot go on in a muddle like this.

SOME DICTIONARY DEFINITIONS OF 'OUTCOME'

The pocket Collins dictionary I first consulted did not contain the word 'outcome', which surprised me greatly. I Googled the Cambridge dictionary, which stated that an 'outcome' is – a result or effect of an action or situation'. It gave the usage example, 'It's too early to predict the outcome of the meeting'. The Webster Dictionary states that an 'outcome' is 'something that results' or 'a phenomenon that follows and is caused by a previous phenomenon'. This is the perspective on the word with which I am familiar.

On the other hand, the MSN Encarta dictionary definition of 'outcome' in my view reflects the same confusion as Ms Dudley's management approach. It states that an outcome means:

Result: the way that something turns out in the end (a satisfactory outcome)

Prospect: An expected or final state, achievement or result (poorer health outcomes)

My guess is that this latter, confusing view, (that an outcome may be defined both as something comparatively objective AND as something highly speculative), is a product of the American marketplace and related research strategies. I have previously discussed this problem many times while working at Sydney University. Americans often support questionnaire based research of a kind which confuses apparent perception with reality. Put crudely, from this research perspective, if enough people believe a bridge is safe, this may be taken to be the case. For the purposes of this

common kind of research, the civil engineering expert is merely one of many equally valuable questionnaire respondents. The psychologist or health practitioner is often in charge. Please note that this is not the Australian government health approach, as indicated in the National Goals, Targets and Strategies for Better Health Outcomes book referred to earlier. Nevertheless, one is constantly fighting excessive US relativism in Australian universities, and it seems to have been adopted by Ms Dudley in children's services and also by the Commonwealth Department of Finance and Administration. In my view the Departmental view is wrong and dangerous. Whether I am right or not, such management matters need to be sorted out for clear, transparent program and project administration prior to development of emissions trading and all earlier approaches to sustainable development and affordable housing, on which I am now working in other arenas. Don't worry. I'll keep you posted.