



IBSA submission to the Productivity Commission's study of the VET workforce

Introduction – Our perspective and approach

While IBSA will not address all the questions posed in the Issues Paper we will comment on many of them and seek above all to provide information, intelligence and advice where we are able to and where we have an active interest and concern.

Our major function as an Industry Skills Council is the development of nationally endorsed training products (units of competency, skill sets, qualifications organised in Training Packages), to be delivered and assessed by the VET workforce. This means that while these products are based on *industry* standards, they are used mainly by the VET workforce.

Another more recent function is to provide advice to the Australian government concerning industry skill and workforce development needs and priorities for the Australian VET system. Our instrument for this advice is the annual Environmental Scan (Escan) of all our industry areas. The intelligence we gather through this process is referred to in this submission.

IBSA is one of eleven Industry Skills Councils recognised and funded by the Australian Government. IBSA covers the industry sectors of Business Services; Cultural and Creative industries; Training and Education; Financial Services; Information and Communication Technologies; and Printing and Graphic Arts.

Our role in developing training products for the Training and Education industry gives us a special and informed perspective on capability and capacity issues related to the VET workforce. Capacity, in this context, represents the maximum output or productivity of the VET workforce, while capability represents the potential ability of that workforce to conduct effective training and assessment. Both concepts are important to IBSA because good *design* of training products may increase capability and hence the capacity or productivity of the workforce. Good design, defined as ease of understanding and utility, is very important in relation to qualifications and/or units of competency concerning training and assessment. This point is taken up below.

It is important however to understand the limitations of even well designed training products. While the aim of a competency based training system is to produce clearly defined standards of workplace performance and hence improve workforce capability and ultimately capacity; the standards must be translated through learning programs,

either in on or off the job situations. In this translation, standards, however well defined, may be distorted by trainers and/or misunderstood by learners. As in all other circumstances in training and education, the effectiveness of learning will depend on the quality of teaching.

This is as true of training products designed to produce competent trainers and assessors as any other vocational field.

VET in the education sector and the economy

What is the VET sector?

While the VET sector is characterised by its great diversity (Productivity Commission Issues Paper p. 4), we would argue that its special character is defined by the form of its training: competency based where the standards set are determined by industry. It is this form of training which links the VET sector intimately to the wider economy. As the Issues Paper recognises, it is the extent of industry engagement in VET which sets the sector apart from schools and universities (Issues Paper p. 7). This engagement is most notable, and concrete, in the process of defining workplace standards, which are developed by Industry Skills Councils through intensive industry consultation, as units of competency, packaged as VET qualifications.

IBSA would support an approach to defining the VET sector as that which delivers accredited training and leads to the granting of VET qualifications and Statements of Attainment i.e. nationally recognised training.

VET in schools has expanded significantly during the last decade and now represents an important element in the range of student choice as part of senior secondary certificates. Although much of this activity is undertaken by traditional training providers such as TAFE Institutes, even that which is delivered by secondary teachers in schools must be considered as part of the VET sector, because that activity is subject to the same requirements through the Australian Quality Training Framework (AQTF).

The relationship between VET and *higher education* is more complicated. For example, while governments and other authorities have promoted the concept of articulation between VET and higher education for many years (see Bradley et. al. 2008, *Review of Australian Higher Education: Final Report* for the most recent statement), the fact of the competency based nature of the VET sector has itself been perceived as a barrier to seamless, or even any, articulation. Another important barrier is the practice of universities in generally treating VET qualifications or Statements of Attainment as needing to be dealt with on a case by case basis.

A recent study for the National Centre for Vocational Education Research (NCVER) by Sandra Hall and John Pardy (Box Hill Institute of TAFE), *Crediting vocational education and training for learner mobility* (NCVER, May 2010), highlighted some of these barriers. As the Preface to the Report explains:

“Despite the rhetoric that encourages ‘seamless pathways’ from vocational education and training (VET) to higher education, many barriers exist for VET students who wish to undertake further study at university.

Movement from VET to higher education takes place on a spectrum ranging from well organised to haphazard. Students are not always granted full credit for their previous learning, and there is a lack of clarity between institutions about what counts as credit transfer or exemption.”

The study investigated the concept of learning pathways, using as an example the localised credit arrangements that exist in degree structures at Deakin University and the partnerships between Deakin and three TAFE institutes—Box Hill, South West and the Gordon Institute. It also explored pathway arrangements available to individuals who have undertaken training through enterprise-based registered training organisations.

Key findings of the report included that:

- Different VET qualifications result in different pathways with varying credit transfer arrangements and outcomes.
- Students who are perceptive and well informed show that they are adept at forging pathways for themselves, in spite of systemic and cultural impediments.
- TAFE and university personnel identify improved pathway negotiations, a database of credits, and mutual respect as important for efficient credit transfer processes.
- The majority of employment and context-related training delivered by enterprise registered training organisations goes unrecognised in broader credit transfer and articulation policy discussions.

This study emphasises how much needs to be done to make articulation arrangements and hence mobility a reality for learners in Australian VET.

In addition there is a deep divide in many respects between the VET and higher education workforces. There are differences between their qualification profiles, their preparation as teachers/trainers and assessors and there are differences between the way education and training outcomes are defined.

While VET in schools is clearly an aspect of the VET sector, the relationship between VET and higher education remains problematic and requires a greater and more concentrated effort to improve the links, between the sectors, and more importantly, the respective workforces.

The VET workforce within the labour market

IBSA supports the workforce terminology used in the paper (Issues Paper p. 8). However, in relation to the proposal to define the VET workforce as all employees of VET providers, which excludes government and peak industry group employees, IBSA notes the considerable volume of training, at least some which is of nationally recognised, undertaken by government organisations such as Defence, the Australian Tax Office, Customs, Centrelink and many others.

VET, economy and society

The VET workforce's major objective is to provide appropriately skilled people in a number of dimensions, including cross industry skills such as management and supervision to meet the needs of Australian industry, broadly defined. In meeting this objective it must also meet the need for economic and social inclusion. These objectives are not contradictory; with an ageing workforce and the forecast required increases in VET enrolments over the next ten years it is critical that the sector casts a very wide net to achieve such enrolments.

The real issue is the extent to which the VET workforce is currently prepared and capable of enrolling significant proportions from a much wider cross section of the population. It raises important questions about the skills inherent in the VET workforce and what more needs to be done, for example, to increase the level of skills in identifying and addressing needs in language, literacy and numeracy and how to engage and train greater proportions of indigenous people.

Assessing the VET workforce's capacity to achieve its stated objectives is only possible by adopting a range of measures. For example, NCVET has undertaken student and employer surveys for many years seeking to measure levels of satisfaction with the training experience and its outcomes. Generally these surveys have demonstrated high levels of satisfaction. More targeted studies, for example, a study undertaken in 2008 by the National Quality Council (NQC), showed high levels of employer dissatisfaction with the issue of assessment in VET.

In addition measures such as commencement and completion rates, which have often indicated poor outcomes have been routinely criticised as not adequately reflecting the special character of the VET sector (e.g. individuals only requiring part rather than complete qualifications) or for being based upon inadequate data sets (e.g. not including data from private or enterprise based Registered Training Organisations (RTOs)). As NCVET extends its reach via its data sets to encompass a greater proportion of RTOs, this type of measurement would certainly be useful as a component of a larger set of measures.

From time to time the NQC conducts national strategic audits in particular area. For example an audit of the Certificate IV in Training and Assessment (TAA40104) has just been completed, the findings of which confirmed IBSA's judgements about the design of the recently (May, 2010) endorsed Training and Education Training Package (TAE10). More pertinently, such audits, carefully conducted, can elicit useful data and intelligence about "hot-spots" in the implementation of significant qualifications, as well as adding to our knowledge about the nature and extent of problems and good practice in areas such as the assessment process.

IBSA would propose a review of the existing methods by which the VET workforce performance is measured with a view to determining an agreed (by jurisdictions and representatives of the workforce) and robust set of metrics which could provide a basis for future assessments.

An overview of the VET workforce

Characteristics of the VET workforce

In its 2010 Environment Scan of the Education Industry, IBSA explained the greater impact of the ageing workforce in the VET sector as a result of the expansion of workforce numbers in the 1970s (many of whom are now reaching retirement age) and the relatively low number of entrants throughout the 1990s.

This explanation would also be consistent with the younger workforce in private RTOs which did not expand significantly until a decade ago.

IBSA would agree that other characteristics of the private sector workforce in VET are likely to be different from the public sector. However the precise nature and degree of differentiation is difficult to define and determine.

In relation to the Commission's proposal to define subsets of the VET workforce and the data issues raised in the paper, IBSA believes this would be helpful in gaining a more fine grained understanding of important issues such as the professional development needs and career and workplace aspirations of various groups, as well as providing a greater insight into capacity and capability issues.

It is likely that gathering such intelligence would require the development of new sources of data, which would need to define more precisely; for example, the degree of casualisation of the public and private parts of the VET workforce, the nature and extent of industry engagement by VET practitioners and professionals and a much better understanding of qualifications and competencies held by those in different parts of the sector. Such statistics need to be collected from the full range of RTOs and other agencies in the VET sector.

In developing its Environment Scan over the last two years, IBSA's advice and reporting has been hampered by the lack of data from existing sources as outlined in the paper.

IBSA would propose that the NCVER should be appropriately resourced to develop such data sources, in consultation with the State and Territory employing authorities and with the full cooperation of the private sector.

Demand Influences on the VET sector

Demographic and economic change

IBSA believes that the Skills Australia (2010) estimates outlined in the paper are more likely to be correct than not. Hence the estimate of the need for an additional 2.4 million workers with qualifications at Certificate III level or higher is likely to put considerable pressure on the VET sector.

Macro structural trends, such as the relative decline in employment in manufacturing accompanied by a probable need to upskill the existing workforce, a similar trend in agriculture, the demands of the mining sector, which is increasing the demand for skilled labour at the expense of others (e.g. construction), new environmental

demands and the continuing need for non university qualifications in industries such as finance, telecommunications and information technology (e.g. the roll out of the National Broadband Network - NBN), will all impact strongly on the demand for flexible and effective responses from the VET sector workforce.

From IBSA's perspective our challenge will be, as described above, to develop and continuously improve well designed training products that can meet these needs and contribute to the flexibility and responsiveness of the VET sector. This will require continuous industry engagement and a greater degree of engagement with the VET workforce to ensure that our training products are user friendly and effective in the development of a competent workforce.

To meet the growing demands the quality of teaching/ training and assessment will need to improve. This may involve new and improved opportunities for professional development and the creation of specifically designed qualifications to underpin this professional development, as well as the development of new training and assessment technologies, including an expansion of e-learning (see below for further discussion of these issues).

Some technological developments may impact directly upon the business of teaching/training and learning. For example, it has been proposed that the impact of the NBN will bring "synchronous virtual classrooms, central learning repositories, high speed research computing, data visualisation, cross campus collaboration, virtual laboratories and enhanced mobile learning" (Bowles M. 2009, *IBSA and the National Broadband Network roll out and Digital Economy*).

These sorts of developments, if they occur at anything like the rate predicted, will place significant pressure on the VET workforce to upgrade their own IT and related skills. In fact many technological developments in industry will require a greater engagement with, understanding of and competence in the digital economy by the VET workforce.

Both upskilling the current workforce and new recruitment approaches will be required by training providers. It may be that the rate of growth of the private sector will accelerate as new provider entrants to VET see opportunities to exploit new sources of expertise to meet the changing technological landscape.

Sector-specific influences

As indicated above it is likely that the growth in the economy and the requirements of social policy will see an increased effort to incorporate a much greater proportion of the population in education and training over the next decade. Language, literacy and numeracy (LLN) issues will figure more prominently for the VET workforce as a consequence. IBSA has recently developed two high level qualifications (at the Vocational Graduate level) in LLN, designed specifically to provide the workforce with specialist high level skills in this area. IBSA anticipates that this area will require increased commitment of resources and intellectual effort to ensure that the VET workforce as a whole is equipped to some and varying degrees to deal with these issues.

The economy, technology and the changing commercial environment in education and training are converging to require the VET workforce to develop skills in:

- Creativity and design/innovation
 - Converging technologies – including combinations of business, IT and creative skills
 - Advanced computer and IT skills
- (IBSA, Environment Scan 2010 - Education Industry page 16)

IBSA agrees with the Commission's paper that managerial, entrepreneurial and marketing skills, already present to some extent in the VET sector, will need to be increased and held by a greater proportion of VET professionals.

While it is difficult to accurately determine the size of the VET workforce, it is likely that an increase in the numbers of VET practitioners/professionals will be required to meet this likely increase in demand.

It is also likely that higher level qualifications will grow as the sort of economy wide changes outlined in the Commission's paper emerge more strongly. These may include degrees and other higher education qualifications, but are more likely to involve a greater number and range of higher level VET qualifications. A number of Industry Skills Councils, including IBSA, have developed Vocational Graduate Certificates and Diplomas in a number of fields. Because these qualifications are competency based, and therefore enable the recognition of prior learning (RPL), they represent very effective professional development instruments. For example, they enable VET practitioners who may hold lower level qualifications but have strong experience in VET management to obtain recognition towards IBSA's Vocational Graduate Certificate in Management (Learning), while undertaking an appropriate learning program to gain the remainder of the qualification. What is more, some of this learning, assessment and recognition could be obtained on the job.

This example highlights the greater flexibility of VET qualifications over similar higher education qualifications, which seldom define the workplace standard required with any specificity, seldom enable RPL and only rarely, and only at some institutions, provide for on the job learning.

In addition, notwithstanding the difficulties outlined above, Industry Skills Councils are keen to build articulation bridges to higher education qualifications as much as possible.

IBSA proposes a greater emphasis on supporting the development of higher level qualifications and the provision of greater support from employers to increase opportunities to gain such qualifications by VET practitioners/professionals.

The issue of Training Packages, as raised in the paper is not the relevant one. The real issue is competency based training and we have already argued in the paragraphs above that the competency based approach is just as applicable to higher level qualifications as to lower level qualifications.

IBSA is aware of the views of some people and groups who have campaigned against competency based training since its inception nearly twenty years ago. The Commission would be also aware that the reason for the adoption of the competency based approach was because industry, defined as both unions and employers, believed that its needs were not being met by a system of industry training which largely ignored the needs of the end users of that training. Industry perceived that

the system was training provider driven in that the providers determined not only the learning programs, but also the outcomes. Under our current system, outcomes in the form of workplace standards are defined by the relevant industry, and training providers are required to build learning programs to achieve these outcomes. This process has never been accepted by some elements of the Australian training provider network.

Competency based training does not need to be delivered through the instrument of Training Packages. IBSA remains open minded in relation to the instrument; but is wedded to the concept of an industry driven training system. Not only does this meet the needs of industry, it better meets the needs of individuals because it provides them with knowledge and understanding and skills that meet workplace requirements, as well as providing them with opportunities to achieve qualifications and employment mobility.

A number of additional sector specific issues outlined in the paper, e.g. e-learning and the impact of technology have been considered above. In relation to the demand on VET arising from international students, it is likely that this will become a permanent feature of the Australian VET, although its impact will vary over time. Clearly this growth has and will exacerbate the pressures on the sector in terms of the size and skills of the workforce, and, when taken in combination with the range of demand side factors outlined in the Commission's paper, will continue to highlight the need for transparent and consistent regulatory regimes. IBSA believes it is in Australia's national interest to urgently develop such a regime, and adopt it on a national basis, to ensure and protect the quality of our sector.

As outlined in our Environment Scan 2010, such increasing quality and regulatory requirements will place greater emphasis on the VET workforce's quality assessment practices and RPL, business planning and communications and customer relations (IBSA, Environment Scan 2010 - Education Industry page 15)

Supply of the VET workforce

Maintaining workforce capacity

IBSA's Environment Scan for 2010 stated that:

“An ageing workforce gives rise to particular workforce development issues that will have to be addressed in the Education industry. These include the need for:

- succession planning and knowledge management strategies to retain organisational knowledge as significant numbers of workers leave
- flexible career pathways that enable the retention of experienced staff on part-time and casual work arrangements – although the Education industry is already more flexible than many industries in relation to part-time and casual work beyond retirement age
- up-skilling of older workforce to keep up with changing technology and new work practices” (Education Industry, p.16).

In addition the Environment Scan found that training providers reported that it was difficult to attract recruits to the VET sector, especially in the trades' areas. Two

thirds of the respondents to our survey said that it was difficult to find applicants with the right mix and level of skills (p.17).

IBSA agrees with the factors affecting the attractiveness of employment in the VET sector outlined on page 19 of the Commission's paper but would emphasise that, in relation to pathways into the sector, VET practitioners/professionals have an appropriate level of and experience in vocational competencies, whether or not these are recognised by actual qualifications. For example, there is evidence to suggest that people undertaking the Certificate IV in Training and Assessment with no vocational competencies will have more difficulty in completing that qualification than those with stronger vocational experience (NCVER, 2009, Clayton B. et.al. *Practitioner expectations and experiences with the Certificate IV in Training and Assessment (TAA04104)*).

IBSA stresses the need to provide a range of ongoing professional development opportunities to VET practitioners/professionals, which, in our view is the responsibility of both employers and employees. Both should make time and resources available, especially for a sector whose rationale is the achievement of workplace standards, which implies currency in knowledge and skills.

Enhancing workforce capability

The standards of the Australian Quality Training Framework (AQTF) in requiring people who train and assess in the VET sector to have a combination of vocational and education skills is a judgement born of the desire to provide a VET sector of high quality, which meets the needs of industry in terms of achieving workplace standards and individuals in terms of providing skills recognition and mobility. The Certificate IV in Training and Assessment is now more clearly an entry level qualification, the requirements of which are not overly onerous. In IBSA's judgement, there is no trade off between vocational and education skills, the skills are symbiotic. As we argued above, the quality of teaching/training remains the most important contribution to good learner outcomes.

In developing the recently endorsed Certificate IV in Training and Assessment (TAE40110), IBSA readily acknowledged that the qualification does not provide all the knowledge and skills which many practitioners need, but does provide the essential foundations on which further skills and knowledge can be built, through on the job experience, further learning or both. For this reason, IBSA is now revising the Diploma of Training and Assessment, which in our view is increasingly a skill requirement for many VET practitioners/professionals.

Increasing the entry standard, as raised in the Commission's paper, would not in our view necessarily produce better student learning outcomes. What we would advocate, and what we shall attempt to provide in the forthcoming period, is a range of professional development opportunities for the VET workforce. For some, the Certificate IV entry level qualification will be adequate, for many others a higher level qualification such as the Diploma, which provides advanced training and assessment opportunities, may be required. Other, more specialist qualifications such as the

high level LLN qualifications and the management qualifications available in the TAE Training Package will be required by an increasing percentage of the VET workforce.

For some trainers and assessors operating in the enterprise sector, appropriately developed Skill Sets, in conjunction with their vocational competencies may be sufficient in some circumstances. One size will not fit all.

As indicated in the beginning of this submission, well designed and targeted qualifications, by themselves, will not necessarily lead to improved training/teaching. What is needed above all is the development of a culture of professional workplace standards for the workforce, related to both vocational and education competencies. This is not easily achieved, nor can it be achieved by fiat or compliance. It can be achieved, over time, by the VET workforce being provided with opportunities and professional networks.

Industry currency, as highlighted by the new compliance requirements in the AQTF 2010, is sometimes difficult to achieve, especially in situations where few opportunities and options are provided to the workforce, or where the workforce itself is not motivated to seize opportunities when they are presented. As we have argued above (page 9), the responsibility for any kind of professional development, whether maintaining industry currency or improving trainer/assessor competence, is a responsibility of both employers and employees. Well considered options for workforce development are likely to be more fruitful than the establishment of a plan, which would need to take account of all the diversity and complexity in the VET workforce.

For this reason IBSA would recommend an approach where governments, employers and VET practitioners/professionals themselves, support and resource the establishment of professional bodies designed to develop and promote associations of those in the workforce with a community of interest. For example, this might involve providing stronger support to existing networks and professional bodies in the national and other jurisdictions, as well as encouraging the establishment of new bodies based on special interests e.g. those who train in the education area, or other defined areas. We would expect that the ISCs could play a role in this effort.

IBSA has developed high level qualifications to expand the knowledge and skills of VET professionals (Vocational Graduate Certificate in and Diploma of Management (Learning)). There are a number of additional qualifications available from the VET and higher education sector which provide the sorts of knowledge and skills outlined at page 7 above.

Institutional arrangements

Regulation of the VET sector

Industry bodies have long been concerned with the tension between “nationally recognised training” and the different kinds of regulatory arrangements adopted in

the different State and Territory jurisdictions. This concern is compounded by the fact that large numbers of RTOs operate across jurisdictional boundaries and face different regulatory and compliance requirements. These differences arise, not from any notion of competitive federalism, but rather from age old, even encrusted ways of doing things (“the culture of the system”).

A good example relates to the roll out of the recently endorsed Certificate IV in Training and Assessment (TAE40110), which is being implemented differently between jurisdictions, in terms of how providers with the previous qualification on their scope of registration are treated. This means that RTOs operating in a particular jurisdiction may be enabled to deliver the new qualification much earlier than another RTO operating elsewhere. One would need to be elastic to suggest that this represented “competitive federalism”.

The new national regulatory framework should improve this position, provided that all jurisdictions ultimately participate. This new framework, in itself, should not impact directly on the workforce, although it may impact on the way RTOs can operate.

Registration of the VET workforce, potentially possible at a national level with a national regulator, would not in itself, necessarily lead to either an improvement in learning outcomes or improved professional standing and practice. Consistent with the comments above, this is more likely to occur with an increase in the opportunities and options available to the workforce in terms of associating with peers through networks or formal bodies, as well as expanding professional development and industry currency options.

Conclusion

IBSA emphasises that the VET workforce requires:

- a strengthened set of agreed performance measures;
- a substantially improved data base to enhance understanding and policy development;
- greater opportunities to undertake higher level qualifications;
- ongoing professional development options and opportunities: and
- that such opportunities be delivered via the expansion of networks and bodies, to be resourced and supported by employers, the VET workforce itself and other industry players in the VET sector.