



## **Productivity Commission: Vocational Education and Training Workforce**

This submission to the Productivity Commission Education and Training Workforce Study is made by ForestWorks, the Industry Skills Council for the forest, wood, paper and timber products industry.

The key issues facing our industry-related VET workforce are how to:

- keep the VET workforce current in industry practice
- attract highly motivated people from industry to the VET workforce
- retain highly motivated people in a low volume learning environment
- manage the pressure on trainers and assessors to deliver outside of their core skill strengths
- support our pulp and paper industry sector in an environment where nationally accredited training is undertaken through an auspicing arrangement. The pulp and paper industry sector's VET workforce is therefore not captured in the scope of this project

Our three recommendations are:

1. Ensure that the link between industry workplaces and VET workplaces are embedded in VET practice to deliver to industry best practice
2. Recognise that VET workforce trainers and assessors are required to have industry qualifications as well as training and assessment qualifications. This double qualification requirement should translate into a high level of respect, relevance and integrity in the professional judgement of the people in this role
3. Improve statistical collection including at subset level to ensure effective understanding of different VET workforce profiles, their pressure points and demands

The forest and timber products industry relies on a VET workforce that:

- trains and assesses in the workplace
- rarely delivers in an institutional setting
- often works with single units of competence rather than whole qualifications
- comes from industry and is more often part time in both industry and VET
- predominantly works in industry-based RTOs and meets the minimum requirements of a Certificate IV TAA
- predominantly does not have a training or assessing qualification beyond the minimum requirement of Certificate IV

- is often not confident with broader skill development strategies for language, literacy and numeracy
- is often not confident in marketing training to enterprises
- often teach in isolation, in workplaces
- is expected by workplaces to offer value beyond immediate teaching role – such as commenting on workplace flow and practices

The RTOs for the industry are:

- TAFE, with small numbers of teachers to support each other in this industry OR
- industry-based, not for profit RTOs with few full time staff and with a limited number of industry specific qualifications on their scope OR
- very small RTOs with single or small numbers of units of competence on their scope

Currently the supply of training is matched to demand. There is evidence of high levels of responsiveness to industry demand as:

- the workforce works across jurisdictions
- training is workplace based
- employers and employee associations are actively supportive of promoting the importance of national skills development and recognition

The VET workforce for this industry delivers the qualification in a funding context that does not meet its needs. It is regional, has high cost equipment demands and requires specialised technical knowledge in a low volume environment. These factors place significant pressure on the VET workforce to deliver quality, flexible and creative approaches to ensure learners receive quality education without the funding levels to cover requirements.

In addition to this profile, the majority of training in the industry may be currently mapped to the national competency standards but not recorded via AVETMISS.

ForestWorks has not commented on the discussion on the role of training packages as it is our understanding this process is being addressed by the National Quality Council and relevant COAG requirements to streamline training packages; and the current review of the Australian Qualifications Framework.

This submission, prepared by ForestWorks, was distributed for comment to the Skills and Employment Council which has some fifty industry members and to the Registered Training Organisations with the training packages FPI05 and PPI10 on their scope; and to the national Australian Timber Trainers Association. Their feedback has been incorporated into this submission however does not replace any submissions made individually or collectively by those members.

## **Attachment One: Productivity Commission Paper - Specific Responses**

*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?*

### ForestWorks Response:

In the industry, VET workforce constitutes those people employed by a RTO, however the partnership, auspicing and linkages with workplace trainers and assessors and workplace teachers (informal but highly skilled without external benchmarking) are an important relationship or conduit of specialist knowledge to achieving the outcomes as indicated in Box 3, page 10.

Please note that Figure 1 is headed up as an 'Overview of the education and training system'. It is a representation of the sectors rather than the system. Components of the system not captured include ISCs and funding bodies.

*What key objectives is the VET workforce seeking to achieve?*

### ForestWorks Response:

Key objectives will need to provide for ongoing maintenance and new technical skills for immediate employment & underpinning employability skills.

In terms of capacity, a separately administered workforce planning strategy consisting of a skills audit and gap training should be funded at a sustainable level to ensure the workforce has skills to address ongoing challenges and emerging technologies and workplace practices.

In regard to metrics, the information currently available would be held by individual HR departments within RTOs – but this is not effective in terms of benchmarking and monitoring the level of workforce skills.

## **An overview of the VET workforce**

ForestWorks strongly supports a data collection process so that there is information collected on the VET workforce

*What are the key reasons for the apparent older age of VET practitioners relative to the total labour force?*

### ForestWorks Response:

In parallel with the ageing demographics of the workforce across Australia, the additional element for VET is that people come to the workforce with a prior or existing career established in another industry area (page 12).

Preliminary consultations have suggested that the workforce of private VET providers is considerably younger than the TAFE workforce.

*Do you agree with this assessment? If so, why do you think this is the case?*

To our knowledge, private VET providers are a similar age as the TAFE workforce

Based on the available data, other notable characteristics of the VET workforce include:

- a majority is female
- a majority is employed part-time
- around a third is employed on a casual basis
- around a quarter hold multiple jobs, including outside the VET sector
- five per cent work in a higher education setting
- around 60 per cent have a degree or higher qualification.

*Is this profile representative of the sector overall? Are there significant differences in various sub-groups?*

ForestWorks Response:

Forest, wood and timber products industry:

- Majority male
- Majority employed part time
- Up to one third casual
- Up to one quarter working definitely outside VET sector – but in industry related to their teaching areas
- Unlikely working in HE setting
- Majority would have a trade qualification and a Cert IV in training and assessment

At a national provider network conference in Hobart, July 28th 2010, with some thirty RTOs represented, all the trainers and assessors taught to their exact competencies. This we believe is not common and that the majority of trainers and assessors teach outside of their own competencies. We recommend that an understanding of this is important to the research to then identify the actual breadth or requirements for skill development work.

*What are some other defining characteristics of VET workers?*

ForestWorks Response:

Additional characteristics:

- Preparedness to train in workplace or on the job & to travel large distances to conduct training and assessment
- Only small amount of training in institutional classroom environment
- Training providers often broker training with several enterprises to access a critical mass of training
- Very thin markets for nationally accredited VET training as industry undertakes in-house training leading to small demand for VET trainers
- Limited capacity for succession planning

*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?*

*What are the advantages and disadvantages of the SET and Census data? Would data based on administrative collections be more useful than these datasets?*

ForestWorks Response:

The disadvantage of any existing data collection is that it is not a full picture of workforce.

There can be an advantage of using RTO administration data – represents whole workforce & description of full/part time & casual nature and other demographics which describe the workforce , for example age, qualifications etc.

Adequate data is currently not available to facilitate effective planning and analysis of the VET workforce.

## **Demand influences on the VET sector**

### **Demographic and economic change**

Demographic and economic change can have profound implications for the demand for VET and, hence, for its workforce. Skills Australia (2010) estimates that, over the next 15 years, in excess of 9 million job openings will occur in Australia. Of these, almost 5 million will be due to economic growth, and more than 4 million will be due to the replacement of workers who retire. On the whole, new jobs will be more highly skilled than current jobs, which are forecast to put upward pressure on employment in the tertiary sector. Modeling undertaken for Skills Australia predicts an average annual growth in employment of ‘university and vocational teachers’ of 2.3 per cent per annum over the 15 years to 2025, the third highest rate of all occupations (Skills Australia 2010, p. 22).

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

ForestWorks Response:

Implications of RPL/RCC will require more flexibility, adaptability and the need for innovative, client focussed solutions from the VET workforce.

There is an impact of economic activity on demand for training where the industry is undergoing structural change and subsequently only training to meet minimal requirement for safety purposes. This reduces teaching to the employability skills and improving learning pathways for students.

If the government role moves to support people gaining higher qualifications, there will need to be recognition of how people are supported to gain new skills at a lower qualification level when they are changing careers.

*What emerging technological developments could significantly alter industry skill needs?*

ForestWorks Response:

Technological development will impose higher skill levels required including entry level workers. The risk of undertaking some training before using technology in a training environment will increase as employers can't afford mistakes with expensive machinery and subsequent down time. Training organisations will not have capacity to replicate technology in a training environment due to cost.

This particularly impacts on private RTOs that cannot access capital development funding that is available for public RTOs. However, the reality is that again for a low volume industry, there is little capital development in TAFE's for this industry but an absolute reliance on workplace partnerships.

Teaching delivery will need to embrace both electronic and web based resources and delivery modes through a good understanding of the benefits of this delivery mode & matching the benefits to needs of learners. A good understanding of how to develop resources for these needs should be considered as part of RTO professional development.

## **Supply of the VET workforce**

### **Maintaining workforce capacity**

Demographic factors, particularly related to population growth (such as immigration) and changes in the composition of the population (such as through ageing), have the potential to affect the supply of VET workers. The current cohort of VET workers is ageing and a significant proportion of the TAFE workforce may retire in the coming decade, while the overall workforce size is shrinking, relative to the adult population. Economy wide, competition for skilled and experienced workers will increase and it might become difficult for the VET sector to attract and retain quality people.

*What are the demographic challenges emerging around the supply of VET workers over the next five to ten years? How might these challenges affect the VET sector's capacity to attract the right number and mix of suitably qualified workers?*

ForestWorks Response:

The demographic challenges of an ageing population, a small number of providers & thin markets will continue to restrict the ability to undertake succession planning.

There will be difficulty in attracting and retaining suitable staff – the need for professional development, career pathways & effective and well supported industry exchange programs can be part of the incentives and supported in either private or public RTOs.

*Pathways into the sector, retention and exit*

*What do you think are the key factors influencing an individual's decision to work in the VET sector? Do these vary for different types of potential VET workers? Does VET have difficulty attracting and retaining suitable staff in key training areas?*

ForestWorks Response:

The pressure on the workforce to move into new areas where the expertise is limited will continue as new industries and processes emerge. An example in this industry is the emerging demands of the frame and truss sector. In the RTO workforce, trainers who have been carpenters or wood machinists from the current workforce may be considered as able to teach in this area. However their history and training will be as stick build construction rather than prefabrication off site. They will not be knowledgeable of current software package requirements that drive this sector. This sector is also not trade based and so has a workplace recruitment strategy from 'off the floor'.

*What are the key pathways into and out of the VET workforce? Do these vary for different groups in the workforce, for example by provider type, job role or area of discipline?*

*Pay and conditions*

ForestWorks Response:

The key pathways in and out for VET workforce are generally through industry. Pay and conditions are often not aligned with other sectors of the education industry or the industry in which trainers have skills

*Do you agree with this assessment? Can you provide supporting evidence for or against it?*

Other work conditions in VET — such as low hours worked by some — could make employment in VET a relatively appealing prospect, either from a work–life balance point of view or to enable VET workers to maintain an ongoing work engagement with industry. The Commission would welcome detailed information on the number of official and actual hours worked each week (and the number of weeks in a year) by VET practitioners, other VET professionals and general staff, whether employed on a permanent, casual or fixed-term basis. It would also welcome an indication of the quantum of unpaid/after-hours work that workers in that sector tend to perform, on average.

People may be deterred from joining or remaining in the VET sector if they perceive that it does not effectively recognise and reward higher quality of work performance. In the public VET sector (and, since January 2010, in the private sector), pay and conditions tend to be determined by reference to industry-wide agreements or awards, rather than by firm-level or individual agreements. Initial consultations suggest that the industrial instruments in use can restrict the ability of employers to link remuneration to individual performance.

*How do remuneration and hours of work in VET compare with those of relevant industry or occupation benchmarks? How important are these factors to the decision to enter or remain in the VET workforce? Does the importance of pay and conditions vary for different groups within the workforce?*

*How does the relative remuneration of casuals/sessionals and permanent/fixed-term employees in the VET sector compare?*

*Is there sufficient flexibility in pay and conditions to attract and retain the right types of workers in VET? Can workers select their conditions in VET to suit other aspects of their lives?*

*Interactions with industry*

*Is there any evidence of workers moving between industry and the VET workforce in response to changes in economic conditions?*

Historically, a form of circular flow has existed, within VET in general and TAFE in particular, between the student and teaching populations. At one end, TAFE was (and remains) the main provider of training for apprentices in the trades. At the other end, TAFE offered a well-worn career path for experienced trades people reaching the end of their industry working life, or having been laid-off during economic downturns. Thus, there was a clear link, albeit with a considerable lag, between the number of apprentices undertaking training and the supply of VET workforce.

The importance of this connection for the future supply of VET practitioners is unclear. The proportion of apprentices completing their training has fallen in recent times. If this trend were to continue, it may mean that fewer qualified trades people would be available, in future, to teach the next generation of VET workers. However, falling completion rates for apprentices may have been a function of relatively benign economic conditions, more conducive to direct hirings and on-the-job learning than to apprenticeships. Thus, it is possible that trades people with appropriate knowledge and skills will continue to be available to meet future demand for VET teachers.

*What are the implications of the falling rate of completion by apprentices for the future supply of VET workforce?*

ForestWorks Response:

The direct link will be less available trainers and assessors. This is not related only to apprentices but to all qualifications where there are shortages in completion of their qualification.

## **Enhancing workforce capability**

Initial consultations with stakeholders have suggested that there are critical challenges to achieving and maintaining the right profile for staff in both their industry and teaching roles. Reflecting these challenges, the study's terms of reference ask the Commission to consider 'the current and potential impact of workforce development activities within the VET sector on the capability and capacity of the VET workforce, including a workforce development plan'.

Practitioners in the VET sector are at the intersection of industry and education. This means that their capability needs securing and enhancing in both dimensions. From an industry perspective, VET teachers require industry qualifications and currency. From an educational perspective, they need to be effective teachers. Not only does the right mix of industry and



education skills need to be achieved at the outset of their VET careers, it needs to be maintained and, in some instances, enhanced over time.

*Are there tradeoffs between technical skills and teaching skills and, if so, which skills are more important?*

ForestWorks Response:

Existing options are not adequate for either public or private providers – the activities described are highly desirable to ensure that the whole workforce maintain currency and relevance and should be funded and monitored centrally to ensure that all participants have access to these opportunities. A workforce development plan is required and could be developed using a bottom up approach (ie at provider and local enterprise level) and validated by industry/government.

VET professionals should have the knowledge and skills to identify different learning styles and ensure that training & assessment is designed and delivered in a way to engage a range of learners with diverse needs and develop the skills of the learners to meet the outcomes required by the units.

*Would increasing qualification standards make entry into the VET workforce more appealing and/or more difficult? Would these changes produce better student outcomes?*

The Australian Qualifications Training Framework (AQTF) 2010 includes two new compliance requirements relating to the skills of trainers and assessors — that they:

1.4(c) can demonstrate current industry skills directly relevant to the training/assessment being undertaken; and

1.4(d) continue to develop their VET knowledge and skills as well as their industry currency and trainer/assessor competence. (NQC 2009)

*What workforce development options exist for VET workers seeking to develop their VET knowledge and skills? Industry currency? Trainer/assessor competence?*

The requirements of the AQTF currently drive this process.

*Are these options adequate? For public and private providers? If not, what other workforce development activities are desirable? How should these be funded? How should they be delivered?*

*Is a workforce development plan needed? How might a plan be developed? What would be its key elements?*

*What are the key knowledge, skills and abilities required of effective VET professionals? Are the avenues through which practitioners can acquire the skills, knowledge and abilities needed to move into professional roles adequate?*

*Are administrative and technical support roles in VET changing? If so, is the workforce readily available to fulfill these changing roles?*

## **Institutional arrangements**

### **Influences on human resource management**

*Do job design and allocation allow VET providers sufficient flexibility, at present, in managing their human resources?*

*How might job design change to enhance workforce efficiency and effectiveness?*

*Do performance management systems within the VET sector adequately support improvements in workforce efficiency and effectiveness? If not, how might they be improved?*

*Are there any other areas of human resource management in which a different approach might enhance workforce efficiency and effectiveness?*

*To what extent are industrial instruments aligned to contemporary work practices in the VET sector?*

*Can you foresee a greater role for performance pay in promoting workforce efficiency and effectiveness?*

*Can you identify any other changes to industrial instruments that might contribute to higher workforce efficiency and effectiveness?*

*What role should individual providers have in the development and form of industrial agreements they are required to use?*

### **Employment and work practices**

*What factors drive the types of employment arrangement adopted by VET providers? Are there systematic differences between public and private providers? If so, why?*

*What effects do each of these forms of employment have on the efficiency and effectiveness of the VET workforce?*

*What factors drive multiple job holding among VET workers? What effects does this have on the efficiency and effectiveness of the VET workforce?*

*Is the core-periphery model evident in the work practices of public and private VET providers? If so, what implications does it have for the efficiency and effectiveness of their workforces?*

*Are team approaches becoming more common in the VET sector? In public or private providers? Do they hold potential to enhance the performance of the workforce? Are there any impediments to their implementation?*

*Are teaching and non-teaching roles in VET blurring? If so, what does this imply for the efficiency and effectiveness of the workforce?*

*Could changes to funding models act to improve the productivity of the VET workforce?*

*Do you have any other suggestions on ways in which the productivity of the VET workforce might be improved?*

*Do you have suggestions on ways in which the productivity of the VET workforce might be measured?*

*Are there any other emerging workplace and employment practices with implications for the efficiency and effectiveness of the VET workforce that the Commission should look at? If so, why?*

## **Regulation of the VET sector**

*What are the advantages and disadvantages of having a range of regulatory approaches for the VET sector?*

*Is the current regulatory framework efficient, fit for purpose and consistent with the principles of competitive neutrality? What about the forthcoming national regulatory framework?*

*Should publicly-funded and privately-funded RTOs face the same minimum standards?*

*What are the likely implications for the VET workforce in different jurisdictions and provider types of a national VET regulator?*

*Might registration of VET practitioners and/or other professionals have benefits for their professional standing and practice? Would these benefits outweigh potential costs from higher barriers to entry into the VET workforce?*

## **VET workforce planning**

The terms of reference ask the Commission to consider ‘workforce planning ... in the short, medium and long-term, including: ... policy, governance and regulatory measures to maximise the efficiency and effectiveness of the workforces in order to achieve the outcomes set out in the COAG frameworks’.

*What sorts of workforce planning activities currently take place within the sector?*

*Do these activities meet the needs of the sector? If not, what sort of activities are required?*

*What sorts of policy, governance and regulatory measures relating to workforce planning might enhance the efficiency and effectiveness of the VET workforce?*

ANTA (2004) suggested that many elements of VET workforce planning can only be addressed at an individual provider level — for example, the shaping of recruitment, retention and retraining strategies to meet organisational objectives. For other elements, it was argued, there might be scope for coordinated, and overarching approaches to planning. For example, some factors with direct and indirect implications for the VET workforce may

be outside the geographic scope or planning timeframes of individual providers. These factors include: broad economic, demographic and social change; specific pressures on the training system as a result of changing demands from industry; and the process for 'producing' VET practitioners.

*What types of workforce planning activities do you think can be most effectively undertaken by individual providers, and which types of workforce planning activities lend themselves to a coordinated, overarching approach?*

*How could any coordinated, overarching approach best be informed, organised and funded?*

*What organisations are best placed to undertake overarching workforce planning activities?*

*What are the implications, for VET workforce planning, of the growing role of internal VET competition and contestability and student choice in the VET sector? How does workforce planning, in this environment, continue to take account of industry requirements for skilled workers?*