

6 August 2010

Education and Training Workforce Study
Productivity Commission
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Dear Commissioners,

Jobs Australia submission to the Productivity Commission's study into the Vocational Education and Training Workforce

Jobs Australia welcomes the opportunity to contribute to the Productivity Commission's study into the future development of Australia's Vocational Education and Training (VET) Workforce.

Jobs Australia is the national peak body for over 270 nonprofit providers of employment and related services. The Australian Training Network (ATN), which is a service provided by Jobs Australia, assists Jobs Australia members that wish to deliver nationally accredited training. Currently 105 Jobs Australia members belong to the ATN. A key focus for the ATN is to provide ongoing advice and support to members in order to assist them to provide high quality training delivery to unemployed and disadvantaged people. Jobs Australia is itself a Registered Training Organisation (RTO).

In addition, the Jobs Australia Indigenous Training Network ([ITN](#)) is a network of over 90 Indigenous organisations in remote and regional Australia which delivery culturally appropriate training to Indigenous people. The ITN builds the capacity of member organisations by supporting their existing training services and helping them to share their experiences and good practices. The network also works to identify community training needs and to facilitate sharing of resources and facilities. The ITN promotes hands-on collaboration between Indigenous training practitioners and mentors in emerging training organisations. Through Jobs Australia, the ITN provides a voice for Indigenous training organisations to federal, state and territory governments regarding the training needs of Indigenous people.

The focus of the Jobs Australia submission

The Issues Paper is broad and comprehensive. The Terms of Reference, discussion points and questions for consideration demonstrate the diversity and extent of Australia's VET sector, its various learner groups, its complex workforce and its broader network of partners and stakeholders.

Jobs Australia, on behalf of its members and the learner groups they service, has direct experience and knowledge about a specific dimension of the VET landscape and its workforce: that is the community-based nonprofit VET providers. This segment of the VET workforce has particular characteristics and expertise and faces particular challenges. We feel that a clear focus on the experiences and needs of these organisations is the most productive way we can contribute to the discussion about the development the future VET workforce.

It is from this perspective that we make the comments and observations that follow and we would be happy to discuss any of these issues further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Thompson', with a small dot at the end.

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CEO

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Community-based nonprofit VET providers

Page iii of the Issues Paper makes reference to various constituents of the VET workforce including *trainers and assessors in enterprises, adult community education and community organisations*. While this is essentially the constituency of our membership it does not convey the diversity and range of the members of this group. Our members include Adult Community Education (ACE) providers, Registered Training Organisations (RTOs), Group Training Organisations (GTOs) and organisations that provide training to their clients and local communities. In addition to the organisations that provide training to Indigenous communities, we also have a number of member organisations that provide training tailored for people with disabilities.

All of our members share two things in common:

- a) they are nonprofit organisations and;
- b) they have, as a central element of their organisational mission, the delivery of employment and related services to disadvantaged unemployed people.

Our submission uses the term *community-based nonprofit providers* to refer to this category of VET providers. We have restricted the focus of our comments to VET workforce issues as they affect these organisations and the learners they work with. These people are primarily but not exclusively, disadvantaged people receiving income support.

The case for recognising and investing in community-based VET providers

Jobs Australia contends that the community-based nonprofit VET providers should be more directly and explicitly recognised and acknowledged as a discrete component of the VET workforce. This is not an issue of claiming territory. Rather, we believe it is important because the learner groups whom these providers work with have some characteristics that are distinctly different from, for example, the main learner groups serviced by the TAFE sector or a private for-profit VET provider. Consequently, the skill set required of VET trainers working with disadvantaged learners is different – and experience suggests, not easily acquired.

A further consideration is the funding environment in which these organisations operate. This has some characteristics not shared to the same degree by other providers which, again, shape service delivery styles. We refer you to the Commission's own research report into the [Contribution of the Not-for-profit Sector](#).

Considered together, these issues indicate the need for considerably greater acknowledgement and investment in this segment of the VET workforce. Failure to do this will incur great cost to the Australian community, will fail to address some key issues relating to the level of workforce participation within the working age population, and will impact negatively on the vitality of the overall economy.

Learner characteristics of community-based providers

The community-based nonprofit providers whom we represent work in large part with people on income support. As a result of the Global Financial Crisis, the low levels of unemployment before its onset and the historically low unemployment rate that now prevails, the pool of people who are unemployed in Australia today contains a high

proportion of people who have been receiving income support for more than 12 months¹ (classed as Long Term Unemployed (LTU) people), and more than five years (classed as Very Long Term Unemployed (VLTU) people). In June 2010, the number of long term recipients of the Newstart Allowance was 341,602 of a total of 589,799.

Research shows that this group has high levels of low school attainment and poor literacy and numeracy. These disadvantaged job seekers have limited opportunities as individuals. At the same time they represent a significant number of people of working age who lack the basic tools with which to develop the skills the Australian economy needs now and will increasingly need in the future.

Recent government policy has sought to address this problem by increasing the availability of training for people facing these barriers and increasing the incentives for them to take advantage of it. However, so far the evidence suggests that these policy adjustments are having limited success in equipping significant numbers of people in this category with the basic skills and accredited training needed to ensure they develop skills that are relevant and current, and that will help them find sustainable employment.

One reason for this is the difficulty many of these people find in taking advantage of the training. Many people who have been unemployed for a long time did not enjoy school. They are extremely reluctant to revisit what was a bad experience for a second or third time. The implementation of the recent Commonwealth Government's Earn-or-Learn policy² illustrates this problem. The policy requires young people without Year 12 or an equivalent to undertake training rather than look for work. Our members report that one of the difficulties they face in working with these early school leavers is a strong resistance to undertaking this training which, for many, is seen as revisiting school with all its negative connotations.

While we applaud the policy objective, it is clear that working with prospective VET learners such as these requires considerable skill in engaging an often reluctant learner group. This has direct implications for workforce skills development. And it can be argued that it presents VET providers working with job seekers and unemployed people in this broad category with a significantly different pedagogic environment to that in, for example, a TAFE class for apprentices who are in employment and motivated and who have voluntarily undertaken to enrol in the course - or a group of learners undertaking VET training organised through their employment with a private VET provider.

The challenge of engagement is also significant among learners with low levels of literacy and numeracy. In this case the barrier is often related to the stigma that attaches to poor attainment in these crucial skills. Providers who work in this area are working with

¹ Monthly data compiled by Centrelink shows that this is continuing to rise: See the tables under Job Services Australia Population by Unemployment Duration: <http://www.deewr.gov.au/Lmip/default.aspx?LMIP/EmploymentData> And the Labour Market and Related Payments Monthly Profile at: <http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/LabourMarketandRelatedPaymentsMonthlyProfile.htm>

² From 1 July 2009 young people seeking Youth Allowance without Year 12 or equivalent are assessed against 'learn or earn' participation requirements. Under the requirements, to receive Youth Allowance young people under 21 years of age without Year 12 or an equivalent Certificate II qualification will need to:

- participate in education and training full-time; or
- participate for at least 25 hours a week in part-time study or training, in combination with other approved activities, until they attain Year 12 or an equivalent Certificate Level II qualification.

job seekers of all ages, including Indigenous job seekers. Again, there are major hurdles to overcome regarding engagement, attendance and retention.

This dichotomy in learner motivation and attitude is clearly demonstrated in the Commonwealth's Language, Literacy and Numeracy Program (LLNP). Providers of LLNP consistently report on the marked difference between the motivation and attitude levels of the non-English speaking clients of the language component of the program and the English-speaking clients of the literacy and numeracy strand. As a learner group, the former are generally well motivated with high levels of attendance and engagement. In the latter case, providers frequently report difficulty in maintaining good attendance levels and classroom involvement.

The funding environment for community-based nonprofit VET providers

Because many of our member organisations deliver services to unemployed people their funding is largely reliant on the money available for training through the relevant federal and state government programs. Examples of the funding sources are:

- the Productivity Places Program (PPP);
- money earmarked within PPP for training for the New Enterprise Incentive Scheme (NEIS); and
- the money that Job Services Australia (JSA) providers can legitimately allocate to accredited training from that contract's Employment Pathway Fund (EPF).

Another important funding source is that allocated for apprenticeships, traineeships and pre-apprenticeship courses. Again, this funding is governed by government contracts.

Funding of this kind is time-limited and, in the case of PPP, has been difficult to access due to the allocation processes used. These funding sources bring with them a set of specific constraints both on the amount of money available for VET training for this learner group - and on the circumstances under which it can be used.

While some of these constraints will apply to all VET providers who offer courses open to the public (thus including job seekers), it often represents the bulk of the funding available to our members because of the learner group they work with. This makes them particularly vulnerable to changes in government policy and to the time frames which operate with federal and state government funding.

In the context of time frames, this may mean that funding is only available for short periods such as a year, and that notification of the availability of funding and when delivery must commence is also often very short. All of these conditions have direct impacts on the operating environment of these VET providers and their capacity to recruit qualified staff. Again, the recent announcement of the successful providers for LLNP for 2010-12 provides a concrete example of the operating environment and its impact on workforce recruitment.

The open tender for this contract closed on Christmas Eve 2009. The list of successful providers was announced on 26 May 2010 with a classroom commencement date of 1 July 2010. RTOs who had tendered had a period of five weeks in which to recruit teaching staff, sign lease agreements for premises and enrol learners. Undertaking any of these processes before the announcement entailed considerable risk as providers did not know until then whether they would receive contracts to deliver some, all or none of the business they had tendered for. This example illustrates the vulnerability and high level of risk for VET providers whose main focus is disadvantaged learners and whose main funder is government.

While many community-based nonprofit providers have some capacity for fee-for-service delivery their central identity as nonprofit organisations serving their local community means that this type of service delivery generally forms a limited component of their overall activities. Their mission, which is directed towards working with people experiencing hardship and disadvantage, coincides with government policies which seek to provide society's safety net and address society's macroeconomic needs (such as ensure adequate levels of workforce participation). It is not surprising that government will be the main funding source for them.

Specific questions raised in the Issues Paper

Q p7:

What are the particular features of the VET sector that need to be taken into account in this study of the VET workforce?

A unique feature of the VET workforce is that it is industry driven. Ideally, VET trainers will combine high levels of current industry knowledge and experience with good teaching skills. The issue of the currency of industry knowledge had gained increased prominence in recent times and is regarded by industry as a central requirement for good quality VET training.

Clearly, combining industry experience with extensive teaching experience poses considerable recruitment challenges for VET providers.

The study's Terms of Reference refer to *the adequacy of support for high-quality professional practice, including consideration of practitioner qualifications and standards for VET practitioners across sectors*. In the context of the job seeker learners whom our providers predominantly work with there is a need for a better understanding of the specific skill set and qualifications needed for teaching foundation skills courses to disadvantaged learners. These learners may have literacy and numeracy barriers and may also be reluctant learners. The skills required to work effectively with these learners are sophisticated and specific.

In our view, a plan for developing the future VET workforce needs to address this area of professional development as a discrete area of concern rather than being subsumed into a general approach to teaching qualifications. This would be aided by a body charged with working with the community-based nonprofit providers to identify areas of need for professional development. The Victorian TAFE Development Centre, funded by Skills Victoria, may provide a model for a way this could be done for this segment of the VET workforce.

Currently language, literacy and numeracy training (LLN) is an elective unit of the new qualifications rather than forming part of the compulsory core. Integrating the teaching of LLN as an elective or into other units does not give it the prominence necessary to ensure that the VET workforce develops adequate skill levels in this area. The current requirements do not promote the acquisition of the specific knowledge and skills required by trainers to support disadvantaged learners in the area of LLN.

Q p11:

What key objectives is the VET workforce seeking to achieve?

In the case of the community-based nonprofit VET workforce there is a group of key objectives relating to the skill-level and learning styles of their major learner groups: disadvantaged job seekers, including many Indigenous people.

When working with these learners the key objectives of this segment of the VET workforce are to successfully deliver:

- foundation skills;
- literacy and numeracy skills, and
- VET training at Certificate I and II levels.

As we have already argued, training in these areas and with these learner groups requires a specific set of training skills.

A further objective that flows from this is the need for adequately defined qualification pathways and ongoing professional development designed for the learning environment these trainers work in. We have already noted the need for high quality LLN training.

What metrics should be used to measure achievement of those objectives?

We see two main categories of metrics that could be usefully be collected to assess whether these objectives are being met:

1. practical measures of the attainment of skill levels by learners; and
2. practical measures for determining the minimum qualifications needed by the VET workforce training in this area.

The issue of useful and practical measures links to the issue of industry-driven training package development. The measures in training packages are industry-based and often require that learners have industry knowledge and that RTOs/trainers have industry access.

For many disadvantaged learners engagement with industry this is difficult and time consuming and may never have occurred in the past. To address this requires that trainers have specific skills to support the initial first step by learners of engaging with employers and industry. This includes adequate training in vocational LLN.

The issue of determining the minimum qualifications for community-based nonprofit VET trainers raises several issues. One of these relates to service delivery in regional and remote areas.

Recruiting VET trainers is always difficult in regional and remote areas where the pool of skilled labour is limited. This can be made the more difficult if the qualification requirements are too narrow or inflexible. An example of this can be seen in LLNP where the contractual requirements specify trainer qualifications which have proven very hard for providers outside metropolitan areas to meet. The feeling among providers has been that a better approach is to prescribe less narrow requirements which provide greater flexibility and can recognise skills, expertise and experience without compromising the quality of training. This allows them to recruit from a larger pool of potential trainers.

However, even with greater flexibility in the way that skills and expertise are recognised providers in regional and rural areas may still have difficulty in finding trainers with adequate skills. This is even more so the case when delivering training to disadvantaged people with its specific challenges. The assessment of the [National Accelerated Literacy Program](#) (NALP) delivered in the Northern Territory is a case in point. While this program targeted Aboriginal learners of school (100 primary and secondary schools in the NT) and so is not a VET environment the assessment makes clear that the available teachers were often poorly trained to deliver the accelerated learning which was the core

of the program. It also makes it clear that good literacy and numeracy training will only be successful with high order training skills, and that this is not something that just anyone can do.

The Western Australia's User Choice program structures its apprenticeship and traineeship training with LLN training built in. This is a model that could prove useful for any government-funded training. A further useful model is the way the Western Australian LLN program up-skills current industry-based trainers by having them work with skilled LLN trainers.

In our view the logical body which should be charged with collecting any metrics nationally is the National Centre for Vocational Education Research (NCVER). This is also the body best placed to undertake any major national research into the VET workforce.

Q p12:

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

The older age of many VET practitioners probably reflects the time it can take to develop the two layers of skills required for this employment: industry experience combined with teaching skills. In the case of the delivery of foundation skills and Certificates I and II the skill combination may be life experience and teaching skills. It is certainly true that engaging uninterested learners requires a sophisticated mix of skills which are both technical and social – and that these will take trainers some time to develop.

The nature of work our providers can offer trainers is often part-time or casual work. Again, this may have more appeal to workers who are older.

Given the ageing of the Australian population and the Government's policy of increasing the workforce participation among older Australians there may be scope for increasing the pool of available VET practitioners from among this group of workers. They can bring considerable life experience, may find the opportunity to work part-time attractive and may welcome the opportunity to work with people in the community facing disadvantage. Our experience suggests that many tradespersons, for example, reach a point in their career and life when they feel that they have derived a good livelihood from their trade skills and that they would now like to hand those skills on to younger people such as apprentices, trainees and higher level learners.

Q p13:

What are the advantages and disadvantages of the SET and Census data? Would data based on administrative collections be more useful than these datasets? Do you know of other data sources that could help the Commission measure and describe the VET workforce? Do you have any information on the size of the VET workforce in general, or some of its components in particular?

We think there is a clear need to collect accurate data on the VET workforce that is associated with delivering training through community-based nonprofit providers. We have argued the case for the particular characteristics of its learner groups and the challenges these pose successful VET delivery. In order to achieve successful outcomes we need better data about the size, distribution and qualification profile of this component of the overall VET workforce.

Q p17:

Do you anticipate that demand for VET from learners from disadvantaged backgrounds will increase in the next five to ten years? If so, what implications do you think this will have for the VET workforce?

Yes. Government wants to increase the proportion of disadvantaged learners from low socio-economic backgrounds moving into higher education as outlined in the policy document 'Skilling Australia'. To do this we will need to increase the number of learners with good foundation skills able to move to higher levels of VET training. For this to succeed there needs to be a genuine recognition of, accompanied by effective strategies for, addressing the challenging behaviour and attitudinal barriers that are often present among disadvantaged groups. As we have already argued this requires a holistic approach to training and learning. This, in turn, requires considerable skill development among trainers working in this area.

What do stronger commercial pressures in the VET sector imply for the future size, skills and knowledge requirement, of the workforce?

The community-based nonprofit VET workforce now operates in an increasingly complex funding environment. This includes public tender processes open to all RTOs. In addition, governments now attach dollars to learners rather than, as in the past, funding VET providers to deliver services.

This shift has been significant and has increased the competitiveness within the VET market considerably. The community-based nonprofit VET sector has traditionally had to rely on other sources of funding to enable it to offer VET services or to 'top up' government funded programs to funding levels required to meet the additional needs of highly disadvantaged learners. This workforce has traditionally focussed its attention on outcomes for learners regardless of the available funding.

Today, however, the nonprofit VET workforce is currently under pressure as its other sources of funding, both government and non government, tighten and pressure is placed on the workforce to deliver programs and successful outcomes to highly disadvantaged learners at funding levels equivalent to levels required for other learners. These do not provide the additional margin these learners need.

Our experience is that many people in the nonprofit sector VET workforce are unable to manage this, or are unhappy with this situation. Many choose to leave the sector rather than deliver training they do feel meets the needs of the learner cohort.

What implications might a trend towards higher level qualifications have for demand for VET, and the VET workforce?

An increased emphasis on higher level qualifications may be at the expense of lower level qualifications where engagement and learning often occur as pathways for future learning. Disadvantaged learners are often learners who have disengaged from mainstream learning institutions. Community-based providers are often more attractive to these groups because there is less stigma associated with foundation learning in these settings and more scope for a supportive, nurturing environment.

Many trainers currently working with disadvantaged learners have expertise in delivery of lower level qualifications. Their expertise and its place in the overall environment of skill acquisition needs to be recognised and supported.

What implications might other shifts in delivery, in particular towards more RPL and RCC, have for the VET workforce?

Many disadvantaged learners may have skills that might be recognised using RPL however the process is difficult when learners do not have the background to recognise the relationship between these skills and vocational skills. In this situation access to RPL becomes limited and is rarely taken up.

Trainers require different sets skills to assist disadvantaged learners through RPL and other delivery styles. For many disadvantaged learners the only delivery style they have encountered has been classroom-based during their compulsory school years. Where this was a negative experience it became a factor in their decision to disengage with the education. Trainers working with this learner cohort typically require skills that involve engagement outcomes as well as education outcomes.

Q p16:

What emerging technological developments could significantly alter industry skill needs?

Learners will demand that e-learning is available as part of a blended approach to training delivery. The training that nonprofit providers deliver must remain current if it is to remain competitive within the VET market and attractive to learners. Highly disadvantaged learners will need to engage with new technologies in order to become competitive and employable. In order to achieve this, the VET workforce that works with these learners must also up-skill and maintain the skills and knowledge that enable this to occur. Currently, many community based nonprofit RTOs do not have the capacity to deliver training using emerging technologies.

Q p19:

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?

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?

Jobs Australia's experience is that recruitment and retention are major issues that affect the community-based nonprofit VET workforce. Many people enter this sector with high ideals and a sense of purpose however the reality of a lack of suitable skills and lack of opportunity to gain these skills quickly results in low retention rates. As previously discussed the inclusion of appropriate units as both core and electives at the level of trainer assessor training is essential for improved retention in this sector.

Q p22-23:

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

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

On the one hand in the case of working with disadvantaged learners the capacity of the trainer to facilitate learning itself is paramount because of poor engagement and learning skills. However, it is technical industry and experience that often engages these learners most directly and inspires them to want to learn.

This situation highlights the need for sophisticated combinations of teaching and technical skills among VET trainers working with these learner groups. This can only be achieved through more focus and investment on the part of government and industry.

Q p23:

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

There are currently no VET industry-based options available for the community-based nonprofit VET sector workforce. There are some units of competence in the community services and health training packages that are useful. However, the units do not deal directly with the issue of engaging highly disadvantaged learners in training and trainers who may have undertaken these units are still required to 'make the links' when training and assessing and assessing these learner groups.

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?

As discussed previously there is a need for recognition of the specific skills sets required for trainers working with highly disadvantaged learners. There are distinct from the current skill sets available for both public and private providers

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

There are several excellent workforce development planning tools available, notably those developed by the University of South Australia, which link systematic workforce development with organisational workforce development and individual development. These would be useful and a template for VET workforce development.

Q p28-29:

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

There are limited opportunities for workforce development activities within the community-based nonprofit sector. Those that are available tend to be delivered by organisations like Jobs Australia and are heavily subsidised to enable VET practitioners to attend.

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

Feedback Jobs Australia has received indicates that the type of activities offered to address training issues with disadvantaged learners is meeting the needs of the sector. Feedback also indicates that the sector requires these activities to be offered more frequently and in more locations so that they are available to more people within the sector.