

Skills Australia submission to the Productivity Commission Review of the Vocational Education and Training Workforce

Introduction

Skills Australia welcomes the opportunity to make a submission to the Productivity Commission's Review of the Vocational Education and Training (VET) Workforce. Skills Australia recently presented a major report to Government, *Australian Workforce Futures*, which provided advice on skills and workforce development needs for the Australian economy through to 2025. The findings of that report form the basis of this submission. In addition Skills Australia is currently undertaking a closer analysis of the implications of *Australian Workforce Futures* for the Vocational Education and Training sector, and some of the thinking for that work is reflected in this submission. Skills Australia would be pleased to provide further briefing to the Commission following stakeholder consultation on its work on a VET Roadmap.

Australian Workforce Futures sets out clear objectives that aim to sustain economic growth, avoid future skills shortages, raise productivity and improve social inclusion by increasing and deepening the skills of Australia's workforce¹. The report argues that lifting the rate of workforce participation from the current base of 65% to 69% by 2025 is critical to meeting these objectives. There is a need to improve participation of those groups of people who are marginalised due to a lack of skills, particularly the foundation skills of language, literacy, and numeracy. The needs of those people who need to re-skill to adjust to structural changes in the labour market and/or upgrade their skills to adjust to technological change also need to be addressed. We estimate the current capacity of the tertiary education system will need to increase by 3% per annum to deliver the qualifications and skills Australia needs. Increased levels of vocation education and training will be a key element in a strategy designed to increase the supply of skilled labour, improve labour market outcomes and raise economic growth. Skills Australia considers that this can only be achieved by ensuring that the education sector has the capacity to deliver the necessary skills to a diverse cohort of learners and one that it is likely to become even more diverse in the future. Dealing with this diversity requires a highly skilled VET workforce that is able to respond to a wide range of learning needs.

Enterprises also need to make better use of the skills of their employees. Skills Australia has argued that it is not sufficient to simply increase the number of qualifications, as the productivity benefits of a skilled workforce are only realised if those skills are used effectively in the workplace. The role of VET in ensuring skills are utilised represents a broader remit for VET. It has significant implications for the VET workforce which will require a much more entrepreneurial approach. Skills Australia sees opportunities for RTOs to build on and expand links with employers to create new services. This would require VET providers to proactively approach enterprises and offer to work with them to provide tailored solutions to meet their business needs. The service could include skills audits, training needs analysis, leadership and management training, recognition of prior learning, improving organisation and job design (eg introducing competency based frameworks). RTOs will need appropriately skilled staff, or to collaborate with other experts, for example working in partnership with Enterprise Connect consultants. The latter case may largely be a brokerage role, with VET practitioners connecting enterprises with business strategy experts, and working in partnership to deliver effective training solutions

¹ Skills Australia (March 2010) *Australian Workforce Futures, A National Workforce Development Strategy*

The scope of the Commission's inquiry should reflect the role and diversity of the VET sector

The Commission's issues paper describes the diverse nature of the VET sector with respect to its dimensions, course offerings, identity of providers, funding sources and student profile. Skills Australia considers that the areas of research identified in the issues paper, including pay and conditions, interaction with industry and institutional governance and management practices are relevant to this inquiry. We note the Commission is considering options to focus the scope of the study. Skills Australia considers this inquiry should incorporate the range of activity that is undertaken by VET to improve productivity and participation. This would include delivery of accredited courses and skill sets as set out in training packages. We would encourage the Commission to include on- the- job training that is delivered by VET practitioners as this is an important element of vocational based training. We also consider the delivery of foundation skills including language, literacy and numeracy should be in scope. These skills are critical in facilitating participation in further education and training and due to the role that VET plays in engaging disadvantaged learners. The diversity of the VET offer and student base creates challenges for the mix of skills required by the VET workforce.

We note the issues paper does not discuss the topics of the distinctive nature of VET pedagogy and continuing professional development and would encourage the Commission to examine these topics as we consider them to be fundamental to the quality and relevance of VET provision.

As the Commission notes, there are overlaps between the various education sectors. While the Commission may seek to contain the scope of this inquiry it is important to note that the overlap with other sectors can have implications for the VET workforce. VET qualifications are being delivered in schools and the VET in Schools (VETiS) program offers students the opportunity to combine senior secondary curriculum with VET studies and often with employment. In this sense VETiS teachers are a part of the VET workforce. The quality and qualifications of VETiS teachers/practitioners is an area of debate, particularly in relation to their industry experience. It is often argued the industry experience of VETiS teachers does not match the levels of experience of other VET teachers. This perception need to be addressed as it is affecting the standing of VET qualifications achieved at school.

Objectives of the VET workforce

The objectives of the VET workforce should reflect the objectives for the VET sector as a whole. Skills Australia finds that to meet industry's future skills need and to meet the COAG qualification targets will require an increase in tertiary enrolments in the order of 3 per cent per annum which is a faster expansion of enrolments than has occurred over the past 10 years. We also find that to meet these targets will require need higher levels of engagement and mechanisms to engage those who are currently excluded from education and employment due to their low language, literacy and numeracy skills.

We see that VET plays an important role in the implementation of these objectives. The role for the VET workforce in meeting these objectives is to facilitate the development and use of skills that are in demand in the economy and to support the range of learners using the system. This encompasses development of skills and knowledge which range from foundation skills through to higher level skills that are relevant and current to industry needs.

Quality training and outcomes

The objective of increasing the level of skills could also be achieved in some part through improving the currently low levels of course completions. The 2010 Federal budget included the *Quality Skills Incentive* measure which aims to lift the performance of the largest VET providers. These providers will report against benchmarks in aspects of training delivery that aim to improve quality, accessibility and student outcomes. The specific benchmarks are yet to be determined. However Skills Australia considers that if completion

rates are included this will drive behaviour that will focus on improving outcomes through better initial assessment for course entry, improved quality and better student support and mentoring activity to encourage students to complete their studies. This is likely to have implications for the VET workforce, with potentially greater emphasis on the role of specialist support services such as counsellors, careers advisors, disability consultants and language literacy and numeracy experts. VET practitioners will also need to develop their ability to assess and refer students to other professionals, to work in a team based approach and to work with others in the community as appropriate.

Characteristics of the VET workforce

It is difficult to assess the issues associated with the makeup of the VET workforce due to the paucity of published data about the workforce, particularly, but not only, in the private VET sector. It is possible that individual providers collect information about their workforce. The information may also be available at the state level for public providers. Skills Australia would welcome this inquiry bringing forward more information as the lack of publicly available data hampers the ability to conduct analysis and develop policy decisions at a national level.

The ageing workforce

What we do know is that at the same time that the demand for skills is increasing the VET workforce is ageing with impending high replacement of the workforce due to retirements. To some degree it is to be expected that VET will have an older age profile since VET practitioners tend to move into teaching as a second stage career. However the latest figures indicate a trend that needs to be addressed through proactive strategies. The data show that 38 per cent of VET practitioners were aged 45 to 64 years in 2005, compared to 30 per cent in 1997.² In TAFE, the ageing workforce is more evident, with 66.9 per cent of its workforce aged 45 years or more in 2005³. The data also shows that TAFE's workforce is long serving. In 2008 over 10.6% of practitioners and 24% of professionals had 20 or more years of service.⁴

This is an issue that requires strategic succession planning. As Guthrie and Clayton note, the imminent loss of many of the sector's oldest and most experienced staff can be seen as both an opportunity and a threat⁵. Managed strategically it allows the opportunity to bring in new people and ideas, with potentially higher levels of industry currency. There are also opportunities for providers to retain and attract mature age workers both from VET and other industry sectors. The trend in the working population generally is for an increased participation of mature aged workers; supported by tax incentives, flexible work practices and changes to superannuation. It is already evident that some providers are implementing strategies to harness talent. For example, Box Hill Institute has a scheme to retain and attract back people who have recently retired. This strategy is used to fill gaps for specialised tasks and for coaching and mentoring younger teachers.⁶

² Guthrie, Hugh (ed) (2010) *Vocational education and training workforce data 2008: a compendium*. Adelaide, SA: NCVER. p.19.

³ *ibid* p.20

⁴ *Ibid* p.42

⁵ Guthrie, Hugh and Clayton, Berwyn *Building capability in vocation education and training providers: The TAFE cut*. NCVER

⁶ Ross, John. *Mature Age Productivity* [in](#) Campus Review 5 July 2010

Casualisation

The VET sector workforce is also characterised as being highly casualised. Although data for the private VET sector are not available, Guthrie (2010) found that nearly 57% of TAFE practitioners in 2008 were employed on a casual or contract basis⁷. Certainly more TAFE teachers are employed part time than full time⁸. This has both strengths and weaknesses. To the extent it reflects a workforce characterised by teachers and trainers whose primary job is in the industry area in which they teach, it could reflect strength of the system. Use of casual employment also affords providers a level of flexibility to engage and deploy teachers who have the relevant skills to meet student demand. This is a feature that could become more important in responding to a student entitlement scenario. In addition, the option for a less than full time workload could be attractive to teachers who might otherwise retire from the workforce. However, a key issue of concern is that casuals generally have less access to support from other VET staff and less access to professional development opportunities. It is also likely to be the case that a casual teacher is less available to students, an issue that may be significant for learners with higher support needs.

A qualified and professional VET workforce, with industry currency

To meet the requirements of the AQTF, teachers and trainers in RTOs are required to hold the Certificate IV in Training and Assessment (now superseded by the new Certificate IV in Training and Education) as a minimum, or be able to demonstrate equivalent competencies, or be working under the direct supervision of a person who has the competencies. They also need to have industry experience and current industry skills – this is crucial for industry confidence in the VET practitioner.

Questions have been raised about the adequacy of the Certificate IV in Training and Education (TAE). There is a view that it may be adequate for practitioners who are beginning their career or identify more as trainers rather than teachers, but inadequate for full time teachers. There are also concerns about the alleged variable quality in the delivery of the TAA/E, in particular because some providers offer this certificate over only 4-5 days. Since VET practitioners deal with some of our most challenging learners, and need high level skills in a range of teaching strategies, it seems questionable that their preparation and training is less demanding than that required in other sectors.

It will also be important to consider the qualification requirements and workforce development needs of educational leaders and managers, such as head teachers and senior lecturers. They have challenging roles that encompass educational mentoring and leadership, managing budgets and staffing, fostering entrepreneurial activity, including achieving fee for service targets, and ensuring quality outcomes for students.

Skills to meet new challenges

In Australian Workforce Futures, Skills Australia notes that the Australian tertiary education sector itself needs a new and different repertoire of responses to help change in workforce development at the enterprise level. Education and training providers need to continue to redesign their business models away from the traditional institutional provision of standardised courses, 'teacher-centred' and classroom-based face-to-face delivery of education and training.

Industry expects the VET sector to expand work-based learning to increase the relevance of the learning experience. While this is the standard model for apprenticeships and traineeships, it is not a consistent feature elsewhere in the VET sector.

⁷ Guthrie, Hugh (ed) (2010) *Vocational education and training workforce data 2008: a compendium* Adelaide NCVER p.40

⁸ *ibid* p.22

Better use of skills in the workplace

To promote the better use of skills in the workplace and meet the expectations of industry, education providers will need the staff, or will need to collaborate with other experts who can work effectively with industry on a number of levels. This will include guiding enterprises through a diagnosis of workforce performance as a whole, rather than simply offering an existing training product or course. The key questions from a firm's perspective are often not 'what is the right training program for my employees?' but 'has the performance challenge been identified correctly and will training help me achieve my business goals?' This will require that the VET workforce have the skills and products to engage usefully with enterprises on workforce development. In particular the focus for these practitioners is reframed from training outputs to industry outcomes. This could require major cultural and professional change for many in the VET workforce.

In conclusion, the future that Skills Australia envisages for the VET sector will require a great deal of the VET workforce. It will need staff with a range of skills and attributes to meet the needs of increasingly diverse groups of learners. It will also need staff who not only have relevant, up to date industry knowledge but also a capacity to partner with industry to ensure improved utilisation of skills in the workplace.