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The Commissioner,  
Productivity Commission



Dear Commissioner

I am writing to you in response to the report on the draft recommendations, findings and information requests to the Productivity Commission's *Review of the Vocational Education and Training Workforce*.

Business SA is the leading business membership organisation in South Australia and represents thousands of businesses ranging in size from sole proprietors to multinational companies across all industry sectors. Business SA advocates on behalf of business to propose legislative, regulatory and policy reforms and programs for sustainable economic growth in South Australia.

Given this role and the importance of an innovative and quality education and training system in South Australia to ensure we have the skills required to support a buoyant economy, Business SA has a strong interest in policies and programs that affect the VET system and in particular the VET workforce.

### **Background**

*Skills for Jobs 2010*, the South Australian Training and Skills Commission's five year plan for skills and workforce development estimates the total projected demand for all levels of qualifications from 2008-9 to 2013-14 as 293,000 arising from new jobs, up skilling and job replacements. As most VET workers are older than the wider labour force, with the ageing population and the imminent retirement of those trainers and assessors, there will be a deficiency of suitably qualified trainers and assessors, unless strategies are developed to mitigate this risk.

In our policy document released in November 2009, *Training Today for Tomorrow, Challenging the VET System in South Australia*, Business SA advocated for a renewed focus on quality. To add to the complexity of a diminishing VET workforce, we need trainers and assessors that:

- provide or facilitate training and assessment to industry standards;
- customise training to individual or enterprise requirements;
- provide flexible learning and delivery methods;
- ensure current industry practices and equipment are utilised;

- ensure that current skills are recognised in a cost and time effective manner and skills gaps are identified where applicable.

The draft findings in the Productivity Commission’s report align with challenges from *Training Today for Tomorrow, Challenging the VET System in South Australia* and to the anecdotal evidence provided to Business SA.

### **Specific feedback relating to recommendations**

#### Chapter 7 Ensuring workforce capacity and efficiency

Business SA supports recommendations 7.1, 7.2 and 7.3 relating to ensuring workforce capacity and efficiency.

##### *Draft recommendation 7.1*

*The Ministerial Council for Tertiary Education and Employment should engage the National Centre for Vocational Education Research to develop a comprehensive instrument with which to identify the VET workforce as soon as practicable. This instrument should focus on measuring and describing the workforce, but not unduly increase the response burden for providers.*

It is necessary to have sufficient data on the extent of the VET workforce to make informed decisions.

##### *Draft recommendation 7.2*

*The National Centre for Vocational Education Research should consider the information required to allow the critical determinants of quality teaching to be investigated quantitatively, and consider the best means of capturing student and industry satisfaction with the VET workforce.*

It is critical to have suitable tools and accurate data to measure quality teaching and learning as determined by industry.

##### *Draft recommendation 7.3*

*State and Territory governments should not have jurisdiction-wide industrial agreements for the TAFE sector. Current arrangements include caps on the use of casual staff, are prescriptive on hours to be worked in TAFE and encourage uniform wages and conditions. These have the effect of limiting the ability of TAFEs to respond quickly to changes in demand and disadvantage them relative to private RTOs. TAFE institutes should be able to select the mix of employment arrangements, supported by contemporary human resource management practices, that best suits their business goals.*

Business SA supports flexible industrial TAFE industrial arrangements. Archaic industrial relations issues consistently have had an impact on the ability for TAFE to recruit and retain quality trainers and assessors, particularly those from industry with current skills and knowledge.

## Chapter 8 Ensuring workforce capability

### *Draft recommendation 8.1*

*The Certificate IV in Training and Education (TAE40110) should maintain its status as a high risk qualification. Auditing by state and territory regulators of RTOs with this qualification on their scope needs to be more frequent and more intensive.*

Business SA believes that this qualification when well delivered is appropriate for the development of essential foundation competencies for VET practitioners.

### *Draft recommendation 8.2*

*State and territory regulators should publish information on audit outcomes and performance indicators for RTOs, to further incentivise providers to focus on quality training and assessment.*

Although Business SA supports the intent of this recommendation, performance indicators can be subjective and does rely on the integrity of sample responses.

### *Draft recommendation 8.3*

*Industry and Business Skills Australia should amend the Evidence Guide for TAEDEL401A to require those seeking to demonstrate competence at the Certificate IV level to prepare and deliver at least four consecutive supervised training sessions. An assessor from outside an RTO delivering the unit should evaluate a student's competence through observation of two of these sessions.*

Business SA is presuming that the Productivity Commission is referring to the Industry Skills Council, Innovation (not Industry) and Business Skills Australia.

Although in theory the intent of this recommendation is admirable, the logistics associated with this are complex and potentially could result in significant cost to the RTO. Independent assessors should be introduced to ensure standard consistency, retain confidentiality and reduce conflicts of interest.

### *Draft recommendation 8.4*

*Within two years of commencing employment, VET practitioners should have completed the Certificate IV from TAE10. Industry experts, working under supervision, should be encouraged but not required to obtain a Certificate IV in TAE. Within two years of*

*commencing delivery of training or assessment, enterprise trainers and assessors working under the supervision of someone with the Certificate IV, should have completed the Skill Set relevant to their role.*

Business SA supports this recommendation to the extent that "industry experts should be encouraged, but not required to complete the relevant skill set/s or Certificate IV in TAE".

*Draft recommendations 8.5*

*In order to improve delivery to Indigenous VET students, VET providers should attempt to secure the services of more Indigenous VET workers. Possible strategies include ensuring the presence of Indigenous staff members on recruitment panels and charging an Indigenous HR manager with attracting, coordinating and retaining Indigenous employees across their organisation. Recognising that it is difficult for VET to attract skilled Indigenous VET workers who are also being sought by industry, the VET sector should also put in place strategies to support Indigenous students to complete their studies within the VET sector.*

Business SA supports the intent of this recommendation, however if there is difficulty in recruiting Indigenous VET workers, there is even less chance of recruiting Indigenous staff members to be on recruitment panels and Indigenous HR managers. However if there are strategies put in place to support Indigenous students to complete their studies, recruits and graduates could be encouraged to undertake training as trainers and assessors and HR managers.

*Draft recommendation 8.6*

*State and Territory governments should assess the adequacy of funding provisions for ongoing professional development of their VET workforce. Nongovernment RTOs should identify capability needs within their workforces and target funding accordingly. Professional development should be a joint responsibility of RTO employers/owners and employees. Industry and Business Skills Australia should consult with the sector and develop options for ongoing professional development that address competency gaps and/or contribute to further capability development.*

Business SA is presuming that the Productivity Commission is referring to the Industry Skills Council, Innovation (not Industry) and Business Skills Australia.

Business SA believes that although professional development is necessary and a mandatory component of the AQTF standards, the Productivity Commission should not be dictating where RTOs should be targeting their funds. This is a business decision based on their business plan.

*Draft recommendation 8.7*

*Governments should not endorse or contribute funding to a registration scheme for VET trainers and assessors.*

Business SA does not support a registration scheme for VET trainers and assessors as this would create an unnecessary level of regulation and red tape, not to mention additional cost to RTOs which are already burdened with additional costs due to increased regulation and reform.

### **Conclusion**

Business SA welcomes the review of the VET workforce by the Productivity Commission. The capability and capacity of the future VET workforce is one of the critical linchpins in raising the skill levels and workforce participation of the Australian workforce and in turn improving productivity of Australian businesses and the economy. Business SA acknowledges the findings in this report and supports the intent of the recommendations and information requests.

Should you require any further information or have any questions, please contact Antony Clarke, on (08) 8300 0009 or [antonyc@business-sa.com](mailto:antonyc@business-sa.com) .

Yours sincerely

Peter Vaughan

Chief Executive Officer