

Creating Futures



Response to Productivity Commission Draft Research Report - Vocational Education and Training Workforce

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ACPET Response to Productivity Commission Draft Research Report –

Vocational Education and Training Workforce

The Australian Council for Private Education and Training (ACPET) welcomes the opportunity to provide a response to the Productivity Commission’s Draft Report on Vocational Education and Training (VET) Workforce, November 2010.

ACPET is the peak, national industry association for independent providers of post-compulsory education and training. ACPET members represent a diverse range of private education providers from schools to higher education institutes, delivering a full range of education, training and English language courses to both domestic and international students. Of ACPET’s members, almost 850 provide VET.

Investment in the VET workforce is a responsibility of the VET sector – that is training providers, government, individuals, industry and business. ACPET asserts that increased levels of investment will lead to an increased capacity of the VET system and provide the mechanism to deliver skills to Australia’s workforce.

ACPET is uniquely placed to partner with stakeholders in the delivery of VET workforce capacity development programs. ACPET has a track record of successful partnerships with stakeholders in the delivery of professional development, industrial relations, skills for sustainability and Government programs to ACPET members and others involved in the vocational training sector.

This submission is a response to the Productivity Commission’s Draft Research Report - Vocational Education and Training (VET) Workforce, November 2010 and should be read in conjunction with the previous ACPET submission July 2010. Comment in this paper is focussed on relevant *Draft Findings, Recommendations and Information Requests* as follows.

Response to Draft Recommendations, Findings and Information Requests

DRAFT FINDING 4.2

Increased use of explicit on-budget community service obligation payments to all VET providers (to compensate for provision of non-commercial activities) has the potential to improve transparency regarding the viability of Technical and Further Education (TAFE) institutes and other government-owned VET providers, while also improving competitive neutrality across providers.

ACPET supports a transparent system which facilitates competitive neutrality across providers and supports all RTOs with the additional costs incurred in undertaking community service activities.

ACPET and its private RTO members are well placed to support Australia's social inclusion goals, and currently work in innovative ways to be effective and responsive to the diverse needs of students and trainers, often unbeknown to Government in general, and the broader community. ACPET is in the process of publishing a series of relevant case studies on the methods, outcomes and experiences of students, trainers and private RTOs in achieving success and to make visible this important contribution. Some of the initiatives which private RTOs implement to aid successful outcomes include convening courses despite small class sizes, responding in a practical fashion to unusual and diverse needs at any time and place, managing limited resources stringently and with innovation, and focussing on flexibility. Trainers who once taught standard programs are now creatively mixing support and resources according to individual needs. ACPET members subscribe to ACPET's *Code of Ethics* in responding to the social, cultural and educational needs of all students and are guided by our *Statement of Social Inclusion and Diversity* guide. Equitable funding across the VET sector would recognise the true cost of these initiatives and encourage further innovation while optimising efficient use of public funds.

In addition, ACPET contends that advancing structural separation between purchasers, owners and regulators within the VET sector will promote the efficient use of public funds, better transparency, increased competition and clearer incentives. The true cost of delivery and its benefits, optimising the use of infrastructure, and clearer comparison of inputs and outputs, would then be possible.

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.

ACPET recognises the importance of having meaningful information and data, as a basis for quality indicators, continuous improvement and understanding and promotion of the sector. ACPET has previously supported its members in the development of benchmarking tools to aid measurement, understanding and improvement, with specific application to higher education. ACPET is also in the process of broadening this initiative to VET.

ACPET would support the above finding subject to ensuring that this collection avoids duplication, does not create further administrative and cost burden on providers in collating the data, and has some direct and tangible benefit to the RTOs involved.

ACPET would seek to have input to the development of the instrument regarding data sought, definitions, relevance and ease of administration and application.

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.

ACPET understands that the Commission has been unable to source existing substantial quantitative information from which to identify critical determinants of quality teaching in VET. ACPET would support further work in this area which is representative of the whole sector and its diversity with the aim of informing the sourcing, development and enhancement of all sector assets including human capital and infrastructure.

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.

ACPET comments in the Information Requests with regard to the impact of Modern Awards on members.

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.

ACPET recognises the important role of the Certificate IV in Training and Education (TAE40110) in the VET sector and would support initiatives to protect the quality, integrity and relevance of the qualification.

ACPET supports a strategic approach which recognises that there are "low risk providers" who have a proven track record in quality delivery and who therefore should not require the same intensive audit regime as possibly new providers or those who have experienced quality issues or complaints.

ACPET also contends that it is the focus of audits and any associated incentives that can have the most positive result as opposed to necessarily more general audit activity. Improved quality and performance of all professional VET sector staff, including trainers and auditors, underpins greater quality and accountability of service provision to students and is best achieved through a focus on professional development, maintenance of relevant industry currency, and capability building. Any proposed audit activity should be strategic and focus upon capability building of staff and organisations to achieve quality outcomes.

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.

As mentioned previously, ACPET has supported its members in the development of benchmarking tools to aid measurement, understanding and improvement, with specific application to higher education. ACPET is also in the process of broadening this initiative to members in VET.

With regard to publication of audit outcomes, ACPET would seek to ensure that reports for publication are constructed in a meaningful and defensible manner, similar to AUQA reports in Higher Education. Reports for audit outcomes and performance indicators in VET would need to be provided in a useful, solutions oriented manner supportive of continuous improvement. To achieve this aim we see there is a current need for capacity building of auditors and regulators in writing meaningful audit reports. Appropriate training and professional development for auditors could assist in building this capacity.

In addition, ACPET would seek input to the determination of the performance indicators and their measurement.

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.

It is ACPET's understanding that the current regulatory regime provides the scope for addressing and remedying this issue and that these requirements can be enacted in a timely and effective manner with appropriate regulatory implementation.

ACPET therefore queries the requirement for compulsory additional steps such as assessment by an assessor external to an RTO. This is likely to inadvertently create a new industry which may not necessarily enhance quality.

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.

ACPET is generally supportive of this recommendation though would also note that members report that there are other critical factors which influence quality teaching outcomes of VET trainers which should be recognised including current industry knowledge and skills, and a passion for passing on this knowledge and practical skills through training. Further clarification and example of what defines a "VET practitioner" is likely to be of assistance to RTOs given the varied number of hours and industry roles often worked by the workforce.

We would encourage recognition and avoidance of unnecessary duplication and related costs in sectors already requiring strict licensing requirements to gain instructor status, for example aviation.

Further it should be noted that within such a diverse sector as VET, we understand there are certain skills shortages and a limited number of RTOs delivering select programs in specific industry sectors where the depth of industry knowledge, understanding and experience is difficult to recruit and retain which may make the implementation of this recommendation challenging.

DRAFT RECOMMENDATION 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.

ACPET has recently launched its Social Inclusion Policy and is about to release a range of member case studies relating to work with equity groups to identify, highlight and promote further involvement in like initiatives. ACPET has a range of members supporting

Indigenous VET students and can play a role in defining approaches which result in positive outcomes.

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.

ACPET is generally supportive of the above recommendation subject to funding equity across the VET sector. In the past, there have been instances in some jurisdictions where funded places are provided for Government RTOs and the ACE sector but not for private RTOs and this would seem to disadvantage a major contributor to the sector and create an inequitable arrangement.

ACPET has previously provided Professional Development opportunities to individuals involved in the VET sector, with and without Government support, and is currently working to refine and advance this offering.

DRAFT RECOMMENDATION 8.7

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

ACPET is supportive of the above recommendation and believe such funding could be better allocated, particularly in light of the dual profession status of many VET practitioners. Many practitioners already require licensing or registration within industry disciplines and any further registration system could lead to duplication and an additional cost burden. There are a number of associations already offering voluntary membership for members of the VET workforce and this would seem to meet many of the aims of a registration system.

Information requests

Are VET providers (public or private) compensated for pursuing non-commercial objectives requested by governments? If so, does the level of compensation accurately reflect additional costs? What form does this compensation take? Is it transparently identified in government budget documentation and as income by providers?

Feedback from members, in general, indicates that they believe they are not effectively compensated for pursuing non-commercial objectives requested by Government with funding varying state by state. An example outlined by a member was that the price attributed to classroom training is the same as the more expensive, flexible, industry focussed approach of delivering training in the workplace. Members stated that while the Government wants to see flexibility, extra funding does not apply to assist in meeting these aims. One suggestion was to apply funding more strategically, perhaps loadings for small and large groups and according to specific needs. While it was noted that there are some programs to which people can apply such as some disability programs, application had not been successful and as a result funding could not be gained. Funding for formation skills was advocated in particular to enable adequate support to achieve success.

The Commission seeks further input on whether VET-in-Schools teachers should be required to have the Certificate IV in Training and Education.

The predominant view of members on whether VET-in-Schools teachers should be required to have the Certificate IV in Training and Education, related to the need to understand competency based learning and assessment, and industry knowledge and currency. It was recognised that school teachers are highly skilled in their particular field, however there were concerns with regard to an understanding and recognition of some of the key tenets of VET. There was a suggestion that maybe for some lower level qualifications, School teachers without a Certificate IV could teach and this may be acceptable but on the whole either through gaining the Certificate IV or through elements of RPL and study, a school teacher could benefit from a thorough understanding of competency based learning and assessment, and ideally, exposure to industry.

The Commission seeks further input on the effects of the introduction of the modern award on industrial relations settings and performance incentives in private VET providers.

The implementation of the Modern Award, specifically the Educational Services (Post Secondary Education) Award 2010, has proven problematic for private VET providers, particularly for those who had previously not been covered by an Award. Key changes included the classification system which is a requirement of many Modern Awards, and Clause 21.3 which has affected the workforce models of members and restricted flexibility.

The Award seems to assume a traditional classroom setting with a single teacher spending most of the time with the class involved in theoretical instruction and assessment and requiring appropriate release from contact hours to enable administration assessment, and student consultation or follow up. This model does not sit comfortably with the practical nature of VET where there may be shorter elements of instruction and more time spent on a small group, or one to one basis, on practical skill acquisition. Further some private RTOs have previously operated very effective models whereby one individual may undertake instruction, another assessment and another practical skill supervision or setup such as is required in a commercial training kitchen. The Award does not make provision for such models where the tasks or duties may be allocated across individuals. Therefore Clause 21.3 (c) in particular, becomes an arbitrary and inflexible requirement for private RTOs, particularly those operating outside a traditional classroom setting. As a result additional cost burden and inflexibility has been experienced by these RTOs.

The pay rates on the whole have not been reported as major concerns, as many members are paying above the minimum safety net as the market determines.

The Commission seeks information on the ability of RTOs delivering the Certificate IV in Training and Assessment to significantly increase their scale of delivery while also improving quality and compliance. It would also welcome information on the ability of state and territory regulators to more intensively audit and enforce compliance in the event of an increase in the number of RTOs delivering the Certificate IV.

Members advise ACPET that should this be required, they would be able to adapt to support the market.

Finally, the Commission seeks views on the appropriateness of increasing from two to five years the transition period during which existing VET practitioners should be required to gain a full Certificate IV.

The ACPET response reflects the diversity of our membership and the industries in which they educate. ACPET is generally supportive of this recommendation though would also note that members report that there are other critical factors which influence quality teaching outcomes of VET trainers which should not be diminished, including current industry knowledge and skills, and a passion for passing on this knowledge and practical skills through teaching. Further we understand there are a limited number of RTOs delivering select programs in specific industry sectors where the depth of industry knowledge, understanding and experience is difficult to recruit and retain and that in these instances a longer transitional arrangement for attainment of the qualification would be desirable resulting in a transition period to five years.

Conclusion

In conclusion, ACPET asserts that investment in the VET workforce needs to be driven by Government, individuals, industry and business. ACPET maintains that increased investment will lead to an increased capacity of the VET system and provide the mechanism to deliver skills to Australia's workforce.

ACPET is uniquely placed to partner with stakeholders in the delivery of VET workforce capacity development programs. ACPET has a track record of successful partnerships with stakeholders in the delivery of professional development, industrial relations, skills for sustainability and Government programs to ACPET members and others involved in the vocational training sector.

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