

**Productivity Commission
Draft Research Report**

Vocational Education and Training Workforce

**Submission by the Department of Education, Employment and
Workplace Relations**

March, 2011

The Department of Education, Employment and Workplace Relations (DEEWR) provides the following response to the Productivity Commission's Draft Research Report on the Vocational Education and Training Workforce.

In commenting on the Commission's findings, DEEWR wishes to highlight a major priority for the Australian Government, the importance of increasing the skills of the VET workforce in relation to language literacy and numeracy (LLN). The following information is provided in relation to this.

Evidence of poor Language Literacy and Numeracy (LLN) skills

The Adult Literacy and Life Skills (ALLS) Survey (2006) measured information on knowledge and skills in four key domains (prose literacy, document literacy, numeracy, problem-solving) and found that:

- 43.6 per cent working age Australians (aged 15-64) had not attained a skill level 3 in prose literacy
- 49.8 per cent of working age Australians had not attained a skill level 3 in numeracy.

Skill level 3 is considered by the Council of Australian Governments (COAG) to be the minimum level required by individuals to meet the complex demands of work and life in modern economies (level 1 is the lowest level).

Foundation skills are fundamental to productivity and participation. COAG has two key productivity targets for 2020:

- to halve the proportion of Australians aged 20-64 without Certificate III and above; and
- to double the number of higher qualification completions (diploma and advanced diploma).

Level 3 skills are needed to achieve a Certificate III qualification, hence a significant proportion of the Australian working age population do not have the foundation skills necessary to achieve a Certificate III qualification. DEEWR modelling suggests that the first of these targets will not be achieved without English language, literacy and numeracy (LLN) intervention.

Up-skilling the VET workforce

Increasing the skills of the VET workforce to enable the identification of foundation skill needs and the provision of training in foundation skills is a major priority for the Australian Government.

- All VET trainers and assessors need to have a base-line awareness and understanding of LLN issues, and the ability to adjust their practice to accommodate the LLN skills of their learners. Where necessary, trainers also need the insight and awareness to refer learners to appropriate specialist support. The best way to do this is to improve delivery by the broader VET workforce of the LLN embedded in Training Packages. To this end, work is currently underway to strengthen references to LLN in the Training Package Developers' Handbook, throughout the core units of the Certificate IV in Training and Assessment (TAE40110), and in associated support materials such as the User Guide. As

well, the unit “Address Adult LLN skills” will continue to be offered as an elective within the Cert IV. Similar strategies are also being considered for the new Diploma of TAE.

- We also need to increase the availability of high quality, well-trained adult LLN practitioners who can operate effectively in a diverse range of environments, to support a diverse clientele. Following the release of two new graduate LLN qualifications in the TAE Training Package (a Vocational Graduate Certificate in Adult LLN Practice and a Vocational Graduate Diploma of Adult LLN Leadership), we are now looking at high quality support materials and incentives for increasing uptake of these qualifications.
- These matters will also feature in discussions around the development of the National Foundation Skills Strategy (NFSS) for adults (announced in the 2010-11 Budget). The NFSS, which will be developed through negotiation with the states and territories, will provide a consistent and coordinated framework for approaches to improving foundation skills provision across all jurisdictions for the next decade. The NFSS will seek to address low levels of literacy and numeracy of working aged Australians.

RESPONSE TO DRAFT FINDINGS AND RECOMMENDATIONS

Productivity Commission - Draft Finding 2.1

The emerging tertiary sector might improve pathways and education outcomes for students, including those who experience disadvantage, but it is important that these improvements not diminish the traditional strengths of the VET sector.

Comment:

DEEWR agrees that it is important to recognise and maintain the traditional strengths of the VET sector. A major strength of the Australian VET system is that it is able to provide competency based training that directly meets the skills identified by industry that are required in the workplace. It offers flexibility for employers and students. For example, a student can receive a statement of attainment or gain a skills set for a specific job role without the need to complete a full qualification.

The emerging tertiary sector must build on these traditional strengths and provide the VET workforce with the qualifications and skills to cope with the rapidly changing technological and sustainable environment of the future.

Productivity Commission - Draft Findings 7.1

Consistent national data about the size and characteristics of the VET workforce are lacking. Many administrative collections exist, at both the provider and jurisdictional level, but they are incomplete, disparate and not widely used or disseminated. Lack of quality data is an obstacle to effective policy making and workforce planning at any level, and to efforts to improve the capacity and capability of the workforce.

Productivity Commission - 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.

Comment:

The Commission may wish to highlight that a comprehensive instrument needs to include private provider information.

Productivity Commission - 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.

Productivity Commission - Draft Finding 7.2

Wage structures in the TAFE sector take no account of the relative scarcity of industry skills being sought. As a consequence, TAFE can find it difficult to attract and retain some VET trainers and assessors with particular industry skills without resorting to over award payments, while other VET trainers and assessors may be paid more than is necessary to recruit and retain them as trainers and assessors.

Comment:

A single set of determinants may not exist and a variety of determinants across the various streams of VET may need to be developed. DEEWR agrees further work in this area would be useful to support future policy and program development.

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.

Comment:

We encourage the Commission to review this recommendation to allow for the merging of the tertiary sector in the future where the VET workforce may be required to teach both VET and higher education qualifications. Any agreements will need to be flexible. The

recommendation should highlight the need for flexibility to respond to changing circumstances within the sector, including allowing institutions to respond quickly to fluctuations in demand

8. Improving the workforce's capability

We note the call by the Australian Industry Group and others for a national professional development program. We agree that this would allow for nationally targeted professional development when and where required. For example, the Commission identifies the need for the VET workforce to “deliver more training in foundation level language literacy and numeracy (LLN)”. This could be given priority in a national professional development program, along with other emerging skills such as training for sustainability (Green Skills).

Skills Australia in its publication *Australian Workforce Futures: A National Workforce Development Strategy* in referring to the requirement in the Open Doors policy that to approach the quantitative expansion in qualifications required by the 2020s, enrolments in higher education and VET should expand by three per cent a year and states “it should be compulsory for all VET practitioners to gain competency in addressing language, literacy and numeracy issues, so they can identify the language, literacy and numeracy shortcomings of learners and refer them to the appropriate support”.

In response to the recommendations outlined in Chapter 8, we suggest that another recommendation be included: *“State and territory governments should work collaboratively to address the low levels of literacy and numeracy of working age Australians by developing options to enhance the LLN knowledge and skills of the mainstream VET workforce, and increase the number of specialist adult LLN practitioners.”*

Ensuring workforce capability

There have **always** been tensions in the VET workforce between the balance of industry currency and pedagogical/andragogical capability and practice. This tension has the potential to increase now that VET is to include courses with higher qualifications. The dichotomy between industry currency and teaching expertise can be best illustrated when we consider the skills and knowledge required to teach language, literacy and numeracy as opposed to the requirements to teach, for example, Automotive or Heavy Vehicle Driver training.

Determining the qualifications that will meet the needs of the diverse client groups within VET may well require a greater diversity in teaching qualifications based on what the teacher/trainer's role is, as Hugh Guthrie identifies in his recent publication *A short history of initial teacher training, 2010*, Hugh Guthrie, NCVET.

Productivity Commission - Draft Finding 8.1

On balance, the Commission concludes that the Certificate IV, when well taught, is an appropriate qualification for the development of essential foundation competencies for VET practitioners.

Productivity Commission - 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.

Comment:

DEEWR draws the Commission's attention to the National VET Regulator Bill currently before the Parliament to establish a National VET Regulator.

With the increasing merging of the tertiary sector where VET practitioners will be required to teach higher level qualifications, and other policy drivers such as the Government's social inclusion agenda, which will result in a more diverse student cohort, the Certificate IV TAE should be viewed increasingly as the entry level qualification and practitioners should be encouraged to progress to the Diploma of Training and Assessment. This would bring the qualification levels and reputation of the VET workforce closer to that of the Higher Education sector, in addition to providing a more highly skilled and capable workforce.

In *The quality of teaching in VET Report*¹, Leesa Wheelahan, recommended an induction program and more stringent requirements for RTOs teaching the Certificate IV TAE. Wheelahan recommended that this be a staged process as follows:

Productivity Commission – Draft Finding 8.3

Considering the educational capabilities of the VET workforce:

- *There is little evidence of the VET workforce currently having capability gaps in delivering training and assessment to students who may experience disadvantage. However, this is an area of considerable exposure for the VET sector in the future, with an ageing workforce and an anticipated increase in VET delivery to disadvantaged students.*
- *There is tentative evidence of capability gaps relating to delivery of higher level qualifications.*
- *There is evidence of a significant capability gap in ICT skills among the VET workforce.*
- *There is evidence of a capability gap in the ability of some VET practitioners and enterprise trainers and assessors to assess RPL and RCC.*
- *There is evidence of capability gaps among VET managers and leaders.*

Comment:

DEEWR notes the Commission's findings under 8.3 and would add that there is evidence of a capability gap in the ability of the VET workforce to identify and address the foundation skill needs of their learners, and to deliver the skills for sustainability required in the workplace and to enable individual, businesses and communities to adjust to and prosper in a sustainable, low-carbon economy (*Green Skills Agreement*, p2). The Australian Government has a range of initiatives underway to strengthen the capacity of the sector in this area.

Under the Green Skills Agreement, the Australian and state and territory Governments agreed to:

¹ *The quality of teaching in VET Report* for the Australian College of Educators by Leesa Wheelahan from the L H Martin Institute

- develop national standards in skills for sustainability within the requirements of the national regulatory framework;
- upskill VET practitioners so they can provide effective training and facilitation in skills for sustainability;
- review and revise Training Packages to incorporate skills for sustainability; and
- implement strategies to reskill vulnerable workers in the transition to a low carbon economy.

In addition, greater detail is required on the skills required for VET practitioners to effectively deliver skills for sustainability training.

Productivity Commission - 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.

Comment:

DEEWR suggests that the Commission provide some justification for the level of supervision required, and perhaps comparisons with other sectors might be useful.

Productivity Commission – Draft Finding 8.4

Industry currency is not well-researched or understood. While currency is often equated with industry release, or work in industry, maintenance of currency can occur through a variety of activities. There is evidence of currency gaps in the current workforce, particularly among those who have worked full time in the VET sector for more than 10 years. Continuing professional development systems need to identify and address these gaps.

Comment:

We agree that there is confusion in the sector regarding the term “industry currency” and also note, in regard to the use of industry experts, that the Commission may wish to consider another option, that is, to engage industry experts to train VET staff rather than relying on industry experts for training purposes.

Productivity Commission - 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.

DEEWR suggests that the requirement be strengthened so that Practitioners must have a Certificate IV qualification immediately on commencement of teaching and it is not appropriate to have a transition period.

While the Commission recommends that trainers be given time while they work to complete their qualifications, DEEWR is concerned that a negative message regarding the importance of the qualification may be sent, especially if the time in which the Certificate IV was required to be completed was extended to five years (as raised in the information requests section).

Productivity Commission – 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.

Comment:

DEEWR recognises the difficulties in attracting and retaining skilled Indigenous VET workers and gives in-principal support to the development of strategies to support Indigenous students to complete their studies within the VET sector. We also agree that an increased presence of Indigenous staff members in the recruitment and HR processes of Indigenous staff may aid attraction and retention.

Productivity Commission - 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.

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

Comment:

The adequacy of funding provisions for ongoing professional development in the VET workforce requires review and assessment and that funds need to be targeted specifically

for professional development purposes and this will need to be considered as part of ongoing VET reform.

Productivity Commission – Additional Information requests

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

Comment:

The National Quality Council has identified assessment of VET in Schools as a priority area in its 2010/1011 work plan following industry concern with the quality of assessment undertaken with VET in Schools programs.

School Teachers involved in delivery and assessment of vocational education and training (VET) programs in schools should be required to undertake the entry level qualification (Certificate IV TAA/TAE) as it introduces them to competency-based training and assessment, and the requirements of the Australian Quality Training Framework (AQTF). This becomes increasingly important with the increased take up of VET in Schools programs.

The Commission seeks further information on any quantitative studies, with a focus on Australia, that seek to identify the relationship between the characteristics of trainers and assessors with the quality of student outcomes.

DEEWR refers the Commission to *The Quality of Teaching in VET* report which looks at the relationship between teachers and student outcomes. The report states that there is no national survey of VET students' satisfaction with teaching or their experiences in VET and recommends "A new national student satisfaction survey on teaching quality is developed and implemented. The new survey is administered by all RTOs in compliance with their AQTF reporting requirements, according to protocols and processes developed by NCVET for collecting and publishing data. These data are published in the My Skills website."

(a) 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.

In 2010, the National Quality Council conducted a Strategic Industry Audit of RTOs delivering the Certificate IV in Training and Assessment (TAA). Two key risks were identified:

- Persons receiving the TAA404401 qualification do not have the required entry level skills in training and assessment; and
- RTOs delivering TAA40401 do not model appropriate practices in training, assessment, RPL, continuous improvement, industry links and individualisation of learning.

The Commission may wish to obtain a copy of the full report from the National Quality Council prior to its release.

(b) 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.

DEEWR draws the Commission's attention to the National VET Regulator legislation currently before Parliament to establish a National VET Regulator.

A stage 2 recommendation of *The quality of teaching in VET*² Report is that:

“RTOs with the new Certificate IV on their scope of registration be required to meet higher and more stringent requirements in their AQTF audits. This includes a requirement that teachers/trainers delivering the new Certificate IV have a higher level teaching/training qualification and demonstrated experience as a teacher/trainer”.

(c) 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.

DEEWR refers to our comment to Draft Recommendation 8.4 . It is not appropriate to have a transition period. The Certificate IV should be seen as an entry level qualification, which practitioners should have on commencement of teaching. This is reinforced in two recent research studies on the qualification of VET practitioners:

- *The quality of teaching in VET* report which deals with the issue of the Certificate IV Training and Education ; and
- *Practitioner expectations and experiences with the Certificate IV in Training and Assessment (TAA40104) (Clayton et al for NCVER)* which surveyed new graduates about this qualification. The research found that when taught well the Certificate IV in Training and Education provided some, if not all, the essential skills required by new practitioners if they have some training experience and they are supported by mentors. However these graduates felt less prepared to manage the needs of diverse learners, to undertake assessment, to use training packages and to manage classroom issues.
- *A short history of initial teacher training, 2010*, Hugh Guthrie, NCVER, found that:
 - “more active collaboration between the higher education and VET sectors will lead to better teacher training and professional development.
 - as VET is part of the tertiary sector, it needs to stop looking to the school sector for comparisons on teaching qualifications. Further to this VET is offering higher qualifications and as a result requires VET practitioners to be adequately qualified and trained to meet these demands.”

The Commission would welcome information on the additional knowledge and skills required by VET practitioners delivering within workplaces, and evidence on whether or not the workforce has adequate capability in this area.

Comment:

The Quality of teaching in VET report (Wheelahan) identifies that “in 2009, 11.5% of recognised delivery took place in the workplace, and this has grown from 6.8% in 2006 (NCVER 2010c: derived Table 12). Some 70.5% was campus based learning, with the remainder by remote access or other modes (ibid). The growth in workplace delivery is very quick given that recognised workplace delivery grew by 2% from 2000 (when it was 4.8%) to 2006. This growth may be in part as a consequence of the Enterprise Productivity Places Program which, among other things, funded training for existing workers and for training in the workplace.”