

The Parliament of the Commonwealth of Australia

# Skills Training for the 21st Century

A Report on Skills Training: Apprenticeships and Traineeships

House of Representatives Standing Committee  
on Employment, Education and Training

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## MEMBERS OF THE COMMITTEE

### 36th Parliament

Chair	Ms Mary Crawford, MP
Deputy Chairman	Mr Bob Charles, MP
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### TERMS OF REFERENCE

The House of Representatives Standing Committee on Employment, Education and Training is conducting an inquiry into the effectiveness and appropriateness of existing apprenticeship and traineeship schemes, with particular reference to:

- (a) the Auditor-General's reports on the administration of the Commonwealth Rebate for Apprentice Full Time Training (CRAFT) program; and
- (b) the ability of existing schemes to provide flexible, broad-based skills development.

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\* On 21 June 1991 Mr Elliott replaced Mr Price who resigned on 6 June 1991.

## OVERVIEW

Historically, Australia's post-compulsory education system saw the majority of young people leaving school following the completion of year 10, and a smaller proportion continuing on to years 11 and 12 and eventually to higher education. The changed requirements of Australian industry make this traditional approach to education and training inappropriate. Widespread reform of Australia's education and training system is required if Australia is to be internally prosperous and internationally competitive.

Australia's current entry-level training system is essentially based on apprenticeships, and since 1985, to a more limited extent, the Australian Traineeship System. One of the limitations of the Australian apprenticeship system is the restricted number of occupations and industries to which it applies. The introduction of traineeships to non-trade occupations has not succeeded in attracting significant numbers to training in those occupations where apprenticeships do not apply.

As technology impacts on the workplace and changes to work structures are developed, workers will require more efficient work practices, with a new and more complex mix of skills. To meet the needs of individuals and industry, skills training will need to be appropriate, accessible and of high quality. The apprenticeship system does not meet these needs in that it:

- . excludes large sections of the potential work force;
- . serves rigid demarcations within the work force and impedes the need to develop multi-skilled workers;
- . impedes the necessary retraining of workers; and
- . fails to provide the skills industry needs when it needs them.

Australia has embarked on a program of fundamental reform in workplace practices, skills recognition and training. The reformed system will see training and education fully integrated encompassing schools, industry training and tertiary education. New targets for the participation of young people in education and training must be established to provide a focus for resourcing and as an indication of this country's commitment to training.

Certified training by one institution will be recognised by another institution. Skills attained by individuals, whether by formal structured training or on-the-job training, will be recognised and portable between employers and States. Vocational training will, in the future, encompass the concept of competency-based rather than time-based training. The development of competency standards should ensure that industry's standards and needs are met. Apprenticeships and traineeships will be integrated into a single entry-level training system. Entry to employment in industries which at present offer no or little entry-level training, will be through the new integrated traineeships.

The Committee supports the process of reform. It is concerned however, that a reform process based on industrial awards linked with competency standards, could lead to a whole new set of rigidities in the labour market. It is essential that the new system is flexible enough to respond to industry and individual enterprise needs and be adaptable enough to respond quickly to changing requirements of the economy.

The Committee is disturbed that the process of reform is so slow and tedious. It is essential that the vested interests which are impeding progress are put aside, in the interest of achieving outcomes required to see Australia survive into the 21st century.

For Australia to achieve the skill levels required, the perception that vocational training is inferior to other avenues available to young people must change. The Committee has no doubt that the prejudices relating to the different status of the various occupations continue to be reinforced in schools. The effectiveness of any entry-level training system depends on young people being aware of and fully understanding the various options available. It is essential that proper careers education be available in schools to assist students to make informed decisions about their education, training and employment options.

Industry will increasingly become responsible for the provision of off-the-job training. This will result in TAFE losing its monopoly in providing certified training. Despite the quality of training being offered by private providers, the Committee is disappointed that few have been fully accredited.

Notwithstanding the enhanced role of private providers, TAFE is ideally suited to continue its central role in the training system because it is:

- . the largest, most geographically and educationally accessible provider of post-school education and the most important provider of entry-level training; and
- . the provider of the greatest range of post-compulsory courses for groups disadvantaged in the labour market and for adults seeking to upgrade basic education or develop additional skills.

If TAFE is to maintain its role, its performance must improve. While some colleges exercise a degree of autonomy and adaptability and actively seek to develop links with their local community, unfortunately this varies greatly between systems and individual colleges. It is essential that TAFE develop closer links with industry, the school system and the community in general.

It is apparent that the resources available to TAFE are insufficient to meet current demand, let alone to meet the potential demand if the Australian Education Council Review Committee targets are to be achieved. It is essential that greater funding be provided. The Committee endorses Federal Government funding of the public sector component of vocational training.



## RECOMMENDATIONS

### **Recommendation 1**

The Minister for Employment, Education and Training together with the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) ensure that school and TAFE teacher release to industry is an integral part of in-service programs (page 19).

### **Recommendation 2**

The Minister for Employment, Education and Training together with the Ministers of Vocational Education, Employment and Training (MOVEET) develop a legislative framework to require formal training agreements between an employer and a trainee involved in formal, structured entry-level training and that these agreements be developed on a nationally consistent basis (page 26).

### **Recommendation 3**

The Minister for Employment, Education and Training together with of the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) establish national principles for the provision of education for adults in appropriate environments both outside and during business hours (page 32).

### **Recommendation 4**

The Minister for Employment, Education and Training seek agreement of the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) to conduct information campaigns informing teachers and trainers about decisions which impact on the provision of education and training to young people in their respective sectors and in relation to any cross-sectoral issues (page 38).

### **Recommendation 5**

The State and Territory and Commonwealth Ministers for vocational training and industrial relations expedite the introduction of a training wage (page 53).

### **Recommendation 6**

The Minister for Employment, Education and Training together with the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) develop a policy framework which:

- . recognises the links between general and vocational education;
- . enables schools and TAFE to respond to local needs in an innovative, flexible and autonomous manner; and
- . provides the necessary encouragement for State and Territory education systems to recognise the different physical and teaching environments required by young adults. This should result in the eventual establishment of senior secondary colleges (page 69).

### **Recommendation 7**

The Minister for Employment, Education and Training request the State and Territory Ministers for Education introduce a uniform compulsory requirement to attend school until the end of year 10 (page 70).

### **Recommendation 8**

The Minister for Employment, Education and Training together with the Australian Education Council (AEC) and the Ministers for Vocational Education, Employment and Training (MOVEET) agree to a national framework for the recognition of training and credit transfer and articulation between sectors (page 82).

### **Recommendation 9**

The Commonwealth Government assume prime responsibility for funding the public sector component of vocational education and training (page 92).

### **Recommendation 10**

Minister for Employment, Education and Training together with Ministers of Vocational Education, Employment and Training (MOVEET) establish national registration procedures for private providers of training (page 95).

**Recommendation 11**

The Commonwealth Government continue its funding support of SkillShare (page 99).

**Recommendation 12**

The Commonwealth Government continue its funding support of group training schemes (page 101).

**Recommendation 13**

The Minister for Employment, Education and Training review labour market programs:

- . to enable a reduction in the number of programs; and
- . to facilitate credit transfer and articulation to mainstream vocational education and training and employment (page 102).

## FINDINGS

### **Participation in education and training**

Australians should be alarmed at the lack of commitment to vocational training in Australia in comparison with other industrialised nations. This neglect is reflected in Australia's poor international competitiveness (paragraph 2.7).

### **An integrated entry-level training system**

It is clear to the Committee that there are considerable inequities in some areas between private and public provision in entry-level training. This must change (paragraph 6.23).

The Committee supports the concept of integrating apprenticeships and traineeships into one entry-level training system. It is vital however that the system be truly integrated with greater training opportunities available for young people across all industries and not just integrated in name (paragraph 3.10).

A structured entry-level training system in non-craft occupations will succeed only if it takes account of the special conditions which apply to various industries and sectors within industries (paragraph 4.25).

The Department of Employment, Education and Training discussion paper on a new integrated entry-level training system essentially canvasses three models for the system's framework, none of which the Committee finds totally satisfactory (paragraph 3.18).

The Committee rejects the argument that off-the-job training should be tied to the state of the economy. The Committee accepts however that a downturn in the economy may result in fewer employment opportunities within an industry. Individuals should have access to off-the-job training (perhaps of limited duration), without the need for employment in the particular trade or vocation (paragraph 3.26).

### **Funding**

Issues of funding are fundamental to any discussion of entry-level training and the Committee believes that any specific funding proposals should be clearly stated and widely discussed. The resourcing of vocational training is inadequate. Greatly increased resources must be devoted to increasing the skills of workers if Australia is to achieve its goal of becoming internationally competitive, (paragraph 3.17).

### **Career counselling**

It is essential that teachers be in a position to effectively advise students of their options in education, training and employment (paragraph 2.27).

### **Early intervention**

Many employers advised the Committee of the difficulties they faced in training young trainees and apprentices because of inadequate literacy and numeracy skills. While the Committee accepts that TAFE must address inadequate literacy and numeracy skills, it reiterates its belief that greater resources should be provided for remedial teaching in the early years of primary school. Early intervention is far more cost effective and would enable TAFE to re-direct its resources to skill enhancement in other areas (paragraph 5.5).

### **Adult education**

The Committee considers that the provision of adult education by any one sector only is too narrow. It is essential that broader mechanisms be established which enable adults to access entry-level training (paragraph 3.30).

### **Access and equity**

TAFE plays a crucial role in providing access to training for many of the most disadvantaged in our community. The Australian Education Review Committee believes that such equity targets for young people should be set for TAFE and other trainers. The Committee believes these targets should apply to all people who are in need of such training (paragraph 3.34).

### **Competency-based training**

There must be a greater commitment by all parties involved in the re-structuring process, if the goal of governments to have 50 per cent of the award workforce covered by competency standards by 1992 is to be achieved within the time-frame necessary to ensure Australia's economic survival into the 21st century (paragraph 3.43).

There is a perception that the move to competency-based training will only result in a cost to employers without any consequential benefits. The benefits to employers of competency-based standards, need to be clarified in more detail (paragraph 3.50).

### **Employer subsidies**

While the statistics suggest that employer training subsidies do not increase the employment opportunities for young people, they may still be required in some specific industries and small businesses (paragraph 4.18).

### **Training wage**

The Committee notes that while the guidelines relating to youth and training wages were endorsed by Ministers in November 1989, there is little evidence of progress in the introduction of a training wage despite two intervening years (paragraph 4.40).

The guidelines state that in the development of a training wage the following should be considered:

- “(i) work value/skill evaluation;
- (ii) extent of training on or off the job;
- (iii) relativities within and between awards;
- (iv) the need to encourage and provide realistic reward for further education and training; and
- (v) the need to treat young workers equitably while at the same time protecting their place in the labour market”.

The Committee fully endorses this approach (paragraph 4.41).

It is the Committee's view that decisions on the introduction of a training wage will influence the nature and extent of employer subsidies (paragraph 4.42).

### **Austudy**

It is the Committee's view that income levels of apprentices and trainees should be addressed in the context of the review of training wages rather than by the provision of Austudy allowances. Similarly income support for others in part-time work and part-time employment must be addressed through programs other than Austudy, such as labour market or family support programs. The Committee agrees however that means should be developed which will enable all young people to have an equal opportunity to access education and training (paragraph 4.48).

### **Convergence of vocational and general education**

The most important issue is the programs that are being provided. It is crucial that a broader range of subjects with relevance to the entire population of 15 to 19 years olds engaging in education and training be provided. Further, it is essential that credit be transferable so that the benefits in undertaking courses are fully realised (paragraph 5.33).

In keeping with information available about the preferences of young people, the Committee believes that structures developed to enhance delivery arrangements of education and training to 15 to 19 year olds should take this into consideration. In doing so, the response of young people is likely to be more positive and therefore more likely to be successful (paragraph 5.37).

The Committee concluded in its report *The Restless Years* on year 12 retention rates, that there is considerable merit in the concept of senior secondary colleges. The Committee received little evidence during the conduct of this inquiry to suggest that those conclusions should be changed. However competing demands on limited resources makes it unlikely that senior colleges could be established within a time-frame required to respond to the rapidly increasing retention rates except perhaps on greenfields sites and these should be encouraged (paragraph 5.40).

### **Uniform compulsory school leaving age**

The Committee agrees with the conclusion of the Australian Education Council Review Committee that State and Territory Governments should introduce a uniform compulsory requirement to attend school until the end of year 10. (paragraph 5.45).

### **Targets**

It is the view of the Committee that the new national target as recommended by the Australian Education Council Review Committee can readily be understood by the community and therefore offers certain advantages. The Committee fully endorses that target (paragraph 5.62).

Furthermore, the Committee supports the staged implementation of the target which would see:

- “ .  
as a minimum, at least a Level 1 traineeship or participation in Year 12 for all 18-year-olds by 1985;
- at least a Level 2 traineeship or progress toward a higher level vocational or academic qualification for almost all 20-year-olds by 2001;
- at least a vocational certificate (Level 3) or progress toward a vocational qualification above Level 3 or a diploma or degree for at least 50 percent of 22 year olds by 2001” (paragraph 5.63).

### **Accreditation and credit transfer**

Until a national approach to credit transfer and articulation is achieved, *Australia will be hamstrung by its reliance on the current system* (paragraph 5.75).

The Committee strongly endorses the decision to adopt a national framework which should see the elimination of the current discrepancies which abound in the system (paragraph 5.77).

These most recent experiences and other evidence received by the Committee confirms the Committee's belief that despite all the rhetoric there is a long way to go before these accreditation issues are fully realised. It is alarming that traditional views are still held by various sectors and there is such opposition to change. By resisting the reforms, those holding such views are doing a disservice to the majority of young people who have indicated they expect more from the education and training system (paragraph 5.80).



## **TAFE**

While some TAFE colleges may exercise a degree of autonomy and adaptability and actively seek to develop links with their local community, unfortunately this varies greatly between systems and individual colleges. TAFE must develop closer links with industry and the community as it is ideally suited to having a central role in the training system (paragraph 6.6).

TAFE must continue to fulfil its wider social and educational obligations by providing access for the disadvantaged and continuing its role as the principal provider of post-school training opportunities for adults (paragraph 6.11).

It is apparent that the resources available to TAFE are insufficient to meet current demand, let alone to meet the potential demand if the Australian Education Council Review Committee targets are to be achieved (paragraph 6.14).

The Committee accepts and welcomes the fact that TAFE will no longer be the sole provider of accredited training. The Committee is concerned however that the process of reform is agonisingly slow (paragraph 6.32).

## **Private providers**

It is the Committee's view that with the expansion in demand for training, it is essential that there be an increase in non-TAFE training providers, such as industry skill centres, in-house training and commercial providers. It is also essential that proper accreditation mechanisms are developed to enable formal recognition of the skills gained (paragraph 6.25).

The Committee supports the provision of Government funds to industry skill centres which are properly accredited, operate as industry rather than enterprise trainers and participate in programs devised to assist the disadvantaged (paragraph 6.38).

## **Group Training**

Group Training Schemes have proved to be among the most effective and outstanding providers of apprenticeship and traineeship qualification (paragraph 6.48).

## **Labour market programs**

It is essential that various labour market programs are relevant and be part of the wider reforms which are currently underway. There is no point in offering programs which cannot lead to entry into the structured entry-level training system (paragraph 6.52).



# CHAPTER 1

## ESTABLISHMENT OF THE INQUIRY

### Introduction

1.1 In June 1990, the Minister for Employment, Education and Training, the Hon John Dawkins, MP wrote to the Committee referring an inquiry. The specific terms of reference were as follows:

The House of Representatives Standing Committee on Employment, Education and Training examine the effectiveness and appropriateness of existing apprenticeship and traineeships schemes with particular reference to:

- the Auditor-General's reports on the administration of the Commonwealth Rebate for Full Time Apprentice Training Program; and
- the ability of these schemes to provide flexible, broad-based skills development.

### Conduct of the inquiry

1.2 The inquiry was advertised in the major metropolitan newspapers in June 1990. In addition, letters inviting submissions were sent to over 70 individuals and organisations likely to have an interest in the inquiry. The Committee received 90 submissions from individuals, State and Territory Governments, industry organisations, TAFE colleges, companies, industry training bodies, group trainers and government departments. A list of all submissions received by the Committee is provided at Appendix 1.

1.3 The Committee undertook an extensive program of discussions via the public hearing process and more informally by visiting industry and educational institutions. Hearings were held in Canberra, Sydney, Melbourne, Brisbane and Perth. A list of witnesses who appeared before the Committee is at Appendix 2. The inspections program included visits to the Australian Chamber of Manufactures' Training Centre in Melbourne, Hervey Bay Senior College, Oxley Secondary College

and Redland Community College in Queensland and International Catamarans, Australian Newsprint Mills and Claremont Education Park in Hobart. The Committee also visited Woodside Petroleum, Hamersley Iron and Robe River Iron Ore Associates in the Kimberleys. A full list of organisations visited can be found at Appendix 3.

1.4 The Committee also held a workshop in Canberra on 2 October 1991. It provided a further opportunity for the major issues identified during the course of the inquiry to be discussed and debated by those with a particular interest in reforming Australia's training system. The workshop was attended by over 40 individuals and representatives of groups who had given evidence to the Committee during the inquiry. In addition, representatives of government agencies, employers and employer organisations, unions, the education and vocational training sectors, *academic institutions, parents' bodies and private training providers also attended.* Appendix 4 provides a list of workshop participants.

### **Background to the inquiry**

1.5 Australia's economic future depends on expanding beyond its traditional reliance on the primary sector. In doing so, Australia's industry must improve its productivity and quality. Skills training has become crucial in attempts to make the necessary improvements, but major change must be implemented immediately. The country is still largely reliant on a training system established last century. As technology impacts on the workplace and changes to work structures are developed, workplaces will require better work and management practices. Skills training will need to be *appropriate, flexible, accessible and of high quality to meet the requirements of individuals and industry.*

1.6 Australia's education and training system is not adequately catering for a large proportion of young people. For example, the apprenticeship system:

- . is craft-based and consequently excludes a significant proportion of the workforce;

- . is time-based and therefore locks apprentices into a course without making allowances for high achievers and without recognising prior knowledge or skills;
- . is based on rigid demarcations between occupations which impede multi-skilling of workers; and
- . does not provide any mechanism whereby tradespeople can acquire further skills.

1.7 The introduction of the Australian Traineeship System has not been successful in significantly expanding training opportunities in those occupations which have no structured entry-level training tradition. Those industries which have structured entry-level training are generally those which have in the main attracted males. Consequently, the current training system does not cater for the training needs of 50 per cent of 15 to 19 year olds.

1.8 In the past 10 years retention rates have doubled as young people are choosing to continue to year 12. The majority of those senior secondary students will not continue to higher education. The school system has not responded to the changing needs of the school population. Most school curricula continue to concentrate on the preparation of young people for university entrance rather than cater for the 70 per cent of students who will proceed to further training or directly to employment.

1.9 There have been significant increases in the number of university entrants. TAFE, however, has barely maintained its level of enrolments. It is clear that TAFE has failed to promote itself as one of the viable alternative destinations for Australia's youth. In addition there is a perception by the community that TAFE is primarily an option for those who are unsuccessful in gaining a place at university. TAFE has not adapted to the requirements of the new student population. As more and more TAFE entrants complete 12 years of schooling, it is important that their needs and expectations are adequately met.

1.10 A number of reforms are already underway which will change the skills development in this country. The vital components which constitute the reform package are:

- . an expansion of training on a nationally consistent basis into areas not traditionally training oriented;
- . the endorsement and promotion of national targets for participation of young people in education and training;
- . the development of a single integrated entry-level training system which should provide enhanced career opportunities for the great majority of young people who are not bound for university;
- . the integration of vocational and general education so that all young people have a wider career choice which better suits their interests and aspirations;
- . the development and refinement by industry of national competency standards across all occupations to meet industry standards and needs;
- . the recognition of prior learning and experience acquired in any work, training or life situation;
- . the linking of training pathways which expand opportunities for young people to move from one sector to another taking with them credit for their achievements;
- . the development of a wider training market outside the public sector which, subject to assurances about the quality and standards, will provide ever greater training opportunities; and
- . a deliberate attempt to encourage recognition of the importance of vocational education to correct the imbalance which ignores and devalues a significant proportion of the skills and knowledge held in this community. One way that this can be achieved is by a more substantial financial commitment by governments to the areas of skills training.

1.11 It is clear to the Committee that individuals in the workplace are not aware of the impact of the reforms nor are they aware of the reform proposals themselves. The reform process requires strong national leadership. Notwithstanding the fact that certain initiatives may be attributed to particular

individuals and organisations, it appears to the Committee that each State is pursuing its own agenda as are individual industries and indeed individual enterprises. While the directions may be similar, it is not at all certain where each of these agendas will lead. Post-compulsory education is one example, with several States making changes to senior certificates which have the potential of maintaining irrelevant and inconsistent differences.

1.12 In addition, the changes required to Australia's training system are misunderstood, feared and as a result lack a sense of urgency. While the Committee is cognisant of the magnitude of the change that must occur, it is concerned that much of the resistance is related to the protection of vested interests rather than any genuine concern for what is in the best interest. The delays in implementing the reforms are disadvantaging many people and are damaging the country. This situation must not continue. Governments, industry, unions, and the education and training sector must ensure wider community understanding and acceptance of the reforms required in training. It is essential that those reforms are quickly and effectively implemented.





## CHAPTER 2

### POST-COMPULSORY EDUCATION AND TRAINING: THE CURRENT SITUATION

#### **Introduction**

2.1 Historically, Australia's post-compulsory education system resulted in the majority of young people leaving school following the completion of year 10 and proceeding to employment or some form of technical training. A proportion continued on to years 11 and 12 and eventually to university. This has now changed with most young people continuing at school to year 12.

2.2 Unfortunately, the school system has not responded to the challenges which these increased retention rates have presented. Schools continue to offer courses which are relevant to only a minority of students. This chapter will outline the current arrangements in the post-compulsory sector and provide a profile of participation patterns of young people.

#### **Participation in education and training**

2.3 Close to 70 per cent of the 15 to 19 year age group participated in some form of education and training in 1990, while 30 per cent undertook no formal education or training. From the age of 18 years the percentage engaged in any form of education or training falls below 50 per cent. In addition, close to 10 per cent of this age group become unemployed. This is shown in Table 2.1 which indicates the 1990 activity pattern of young people in relation to their participation in education and training or the labour market.

**Table 2.1**  
**Activity of Young People**  
**(percentages)**

	AGE					Total 15-19
	15	16	17	18	19	
<b>Education and Training</b>						
School	93.6	75.5	53.7	11.0	1.9	45.3
Higher Education	0.1	0.7	5.2	17.8	20.6	9.3
<b>TAFE/Training</b>						
- Full-time	0.3	2.2	1.9	5.5	3.7	2.8
- Part-time (apprentices and ATS Trainees)	1.3	8.6	12.0	14.8	10.3	9.6
- Part-time (other)	0.2	0.9	2.2	3.9	3.7	2.3
<b>Sub-Total</b>	95.5	87.9	75.0	53.0	40.2	69.2
<b>Full-Time Labour force (Excluding Education &amp; Training)</b>						
Employed	1.8	3.9	13.3	28.1	39.5	18.1
Unemployed	1.2	3.9	5.9	8.5	8.1	5.7
<b>Sub-Total</b>	3.0	7.8	19.2	36.6	47.6	23.8
<b>Other</b>						
Part-Time Employment	0.5	2.2	2.1	4.8	6.0	3.2
Other	1.1	2.0	3.7	5.5	6.2	3.8
<b>Sub-Total</b>	1.6	2.4	5.8	10.3	6.8	7.0

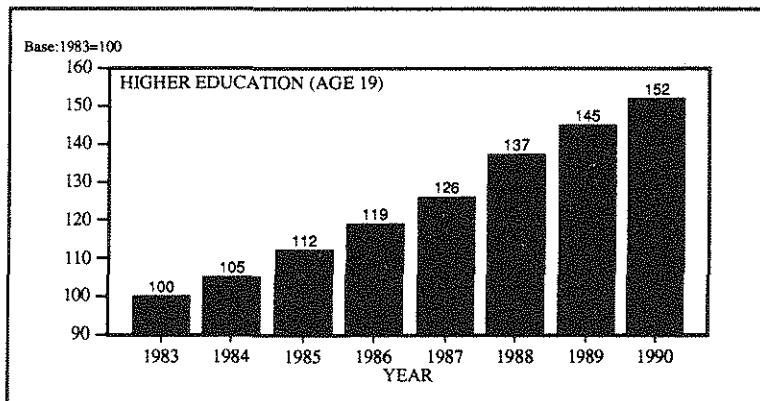
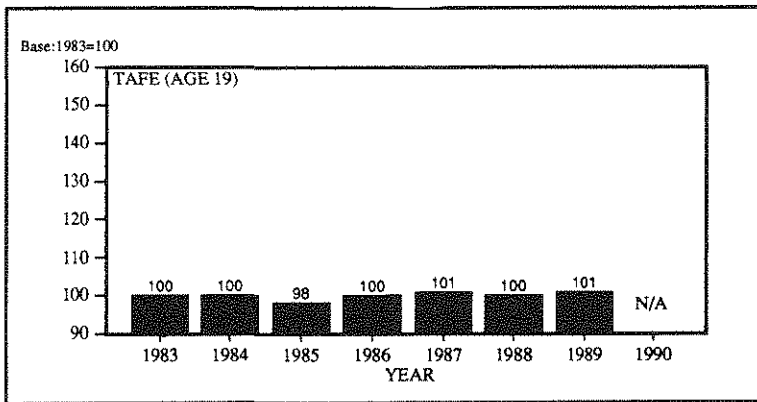
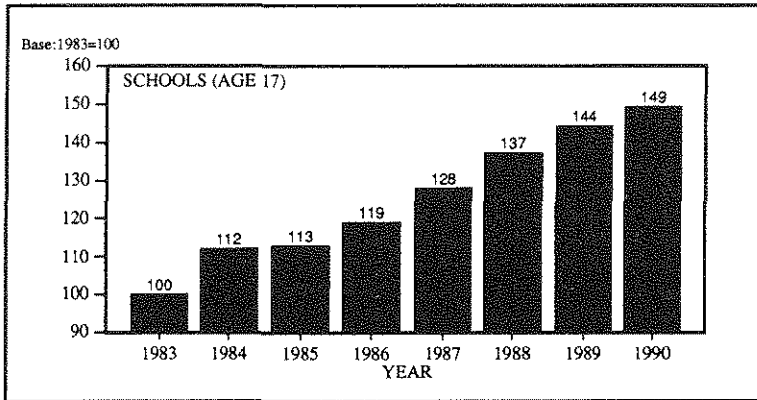
Source: Report of the Australian Education Council Review Committee, *Young People's Participation in Post-compulsory Education and Training* AGPS, July 1991, p. 19.

2.4 The overall proportion of 15 to 19 year olds participating in education and training rose from 56.9 per cent to 66.7 per cent from 1983 to 1990. One report states that:

“This increase in teenage education participation was largely due to rises in participation in schools (from 38.3 per cent to 43.5 per cent) and higher education (from 6.5 per cent to 10.6 per cent. Teenage participation in TAFE and training has remained fairly constant over the same period (around 11 per cent)”[Committee's emphasis]<sup>1</sup>.

This is seen most graphically in Figure 2.1 below.

**Figure 2.1**  
**Participation Trends in Post-compulsory Education,**  
**By Sector - Australia, 1983-1990**



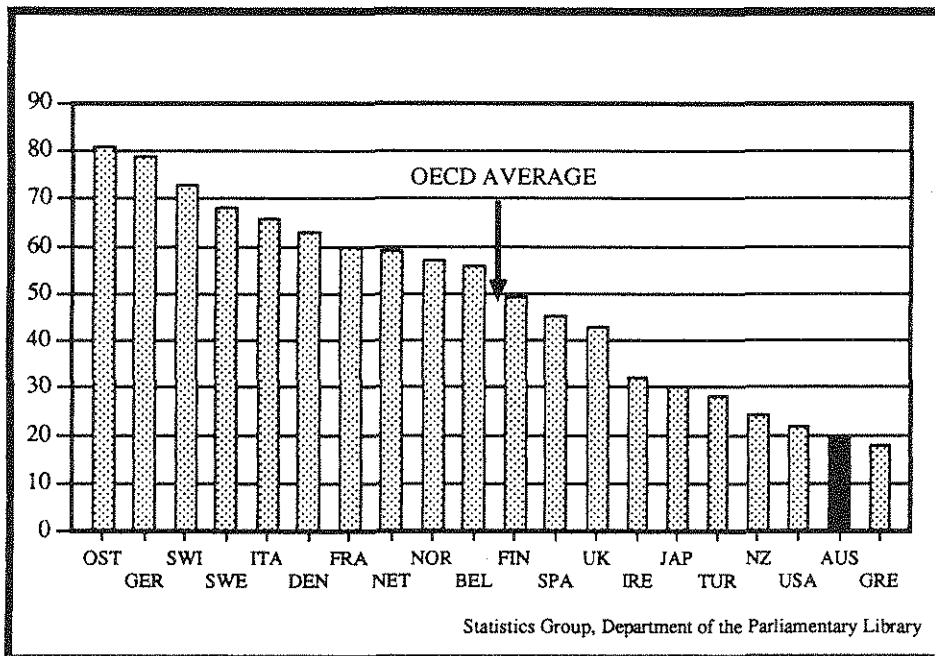
Source: From Ramsey, G., "Funding Education and Training Under the New Federalism", Paper presented at the *Educating the Clever Country Conference*, 22-23 July 1991.

2.5 Although the number of apprenticeship commencements was increasing prior to the current economic downturn, up from 37 995 in 1983-84 to 55 001 in 1987-88<sup>2</sup>, the overall size of Australia's initial vocational preparation system seems to be declining rather than growing, particularly in relative terms compared to trends in other sectors of education<sup>3</sup>.

2.6 Figure 2.2 illustrates that the size of Australia's vocational education sector is small by international comparisons:

“... only 20 per cent of all education and training places in the immediate post-compulsory years in Australia (roughly corresponding to ages 16-17) are represented by vocational preparation, compared to an OECD average of 49 per cent, compared to a level for the German speaking countries of close to 80 per cent and compared to figures of 60 per cent or more for countries such as France, Sweden and Italy”<sup>4</sup>.

Figure 2.2  
Per cent of Post-Compulsory Students in Vocational Programs



Source: Employment and Skills Formation Council, *TAFE in the 1990's: Developing Australia's Skills, 1991*.

2.7 Australians should be alarmed at the lack of commitment to vocational training in Australia in comparison with other industrialised nations. This neglect is reflected in Australia's poor international competitiveness.

2.8 One of the features of the Australian apprenticeship system is the limited number of traditional occupations and industries to which it applies. This is because of the craft-based nature of the system. According to Sweet, it is the selective nature of the apprenticeship system, based as it is in the manufacturing and building sectors which restricts the numbers participating in apprenticeships:

“Indeed it is the ability of the dual system [of Germany] to penetrate the service sector, and not the extent of structured training within manufacturing, that almost totally accounts for the very high level of participation by young people in vocational preparation programs in West Germany”<sup>5</sup>.

2.9 The Australian Traineeship System (ATS) was established in 1985 and provides entry level training opportunities in non-trade areas. Approximately 54 000 young people have commenced a traineeship since the system's inception<sup>6</sup>. Table 2.2 shows commencements in the Australian Traineeship System since its inception.

**Table 2.2**  
**ATS Commencements**  
**(Persons per year)**

Year	Males	Females	Total
1985-86	617	1 102	1 719
1986-87	1 928	4 323	6 251
1987-88	2 711	7 131	9 842
1988-89	3 923	8 943	12 866
1989-90	4 069	8 379	12 448
1990-91	2 856	6 112	8 968
<b>Cumulative Totals</b>	<b>16 104</b>	<b>35 990</b>	<b>52 094</b>

Source: Information provided to Parliamentary Research Service, by Department of Employment, Education and Training.

2.10 Traineeships are distributed across a range of service industries. The total number of trainees is small in comparison with apprenticeships. The largest numbers of trainees are located in clerical occupations, the public sector and the wholesale/retail sector.

2.11 An analysis of the industry and occupational distribution of the teenage employment market shows that the wholesale and retail trade sector is the largest single employer of school leavers, providing approximately 46 per cent of teenage jobs<sup>7</sup>. Table 2.3 provides further details of the industry and occupational distribution of the teenage labour market.

**Table 2.3**  
**Employment by Industry (February 1991)**  
**15-19 year olds**  
**(proportion)**

	MALES			FEMALES			PERSONS		
	Full	Part	Total	Full	Part	Total	Full	Part	Total
Agriculture	7.4	8.7	7.9	2.5	2.5	2.5	5.5	5.2	5.3
Mining	1.7	0.0	1.1	0.6	0.0	0.3	1.2	0.0	0.7
Manufacturing	22.2	4.3	15.7	9.6	3.7	6.5	17.2	4.0	11.3
Electricity	1.0	0.0	0.6	0.4	0.0	0.2	0.7	0.0	0.4
Construction	16.2	2.4	11.2	1.3	0.6	0.9	10.2	1.4	6.3
Wholesale/Retail	30.1	56.0	39.5	34.1	70.0	53.1	31.7	64.0	45.9
Transport	2.7	1.3	2.2	2.9	0.5	1.6	2.8	0.9	1.9
Communication	0.9	0.0	0.6	0.5	0.1	0.3	0.7	0.1	0.4
Finance	6.3	5.2	5.9	21.6	2.6	11.6	12.5	3.7	8.6
Public Admin	2.0	0.6	1.5	2.9	0.5	1.7	2.3	0.6	1.6
Comm Services	4.2	2.9	3.7	12.8	5.0	8.7	7.6	4.1	6.1
Recreation	5.4	18.6	10.2	10.8	14.4	12.7	7.5	16.2	11.4

Source: Report of the Australian Education Council Review Committee, *Young People's Participation Post-compulsory Education and Training*, AGPS, July 1991.

2.12 The distribution in both the teenage labour market and in participation in apprenticeships and traineeships reflects the gender segregation evidenced in the wider labour market. The major entry-level skills training program, apprenticeships, is concentrated in the manufacturing and building sectors. The Department of Employment, Education and Training reports that less than 10 per cent of apprentices are females and that most of these are in hairdressing<sup>8</sup>. Teenage females are concentrated in service industries. Accordingly 50 per cent of the population is in occupations which offer only limited access to entry-level training.

2.13 According to the Department of Employment, Education and Training "apprentice and trainee training places now represent a third of all full-time job opportunities available to youth"<sup>9</sup>.

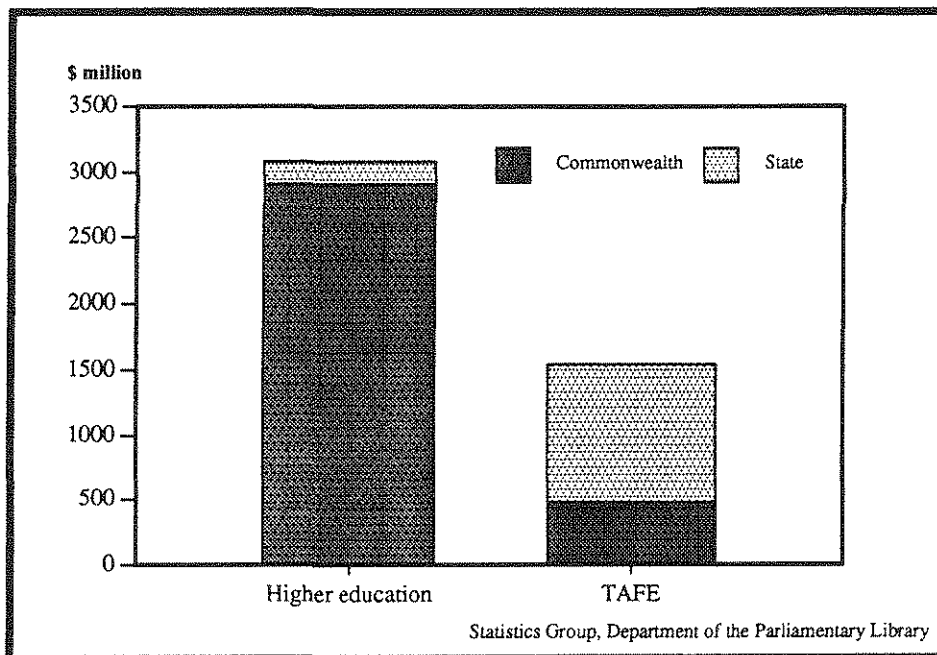
### **Funding of vocational education**

2.14 "In 1989, recurrent funding of the TAFE system amounted to around \$1.5 billion nationally"<sup>10</sup> with a further \$334 million capital expenditure<sup>11</sup>. To these figures must be added expenditure by industry. This however is not a simple task because of the nature of trade training which involves a combination of on-the-job and off-the-job training.

2.15 The distribution of education funds between universities and TAFE colleges reflects the greater priority that has been given to the university sector in recent years. Figure 2.3 shows this as well as the relative funding contribution made by the Commonwealth and State and Territory governments to the two sectors.

2.16 The graph shows that as a proportion of total government outlays on education, expenditure in the higher education sector (which at the time the data was collected included universities, colleges of advanced education and institutes of technology), was in the order of twenty-one per cent, compared with roughly ten per cent in the technical and further education sector.

**Figure 2.3**  
**Commonwealth and State Government**  
**Outlays on Tertiary Education**  
**1987-88**



Source: Australian Bureau of Statistics, *Expenditure on Education: Australia 1987-88*, Catalogue No. 5510.0.

### The need for reform

2.17 Australia's current entry-level training system is essentially based on apprenticeships. In 1985, the Australian Traineeship System (ATS) was introduced to provide training opportunities outside of traditional trade-related areas. Many of the submissions received by, and much of the oral evidence presented to the Committee, has been critical of Australia's trade training system. While numbers may indicate that it is serving the needs of the country, many have expressed various concerns about skills development for young people.

2.18 The need to change Australia's approach to trade training is well recognised. A paper entitled *Skills for Australia* released in 1987 states that:

“In quality terms, however, there is now widespread agreement that the apprenticeship system needs to be made more flexible



and responsive to the needs of industry and advances in technology. Skills training should become more broadly-based and multi-skilled in character, be moved from a time-serving to a competency basis, and become a significant component in a ladder of continuous skills development”<sup>12</sup>.

2.19 The criticisms of Australia's trade training come from a variety of sources with first-hand experience of the apprenticeship system. The evidence presented to the Committee in many submissions and during the public hearings, argued that the apprenticeship system:

- . is based on a master/slave relationship;
- . has restrictive entry requirements which exclude potential participants, for example, adults, who are highly motivated;
- . is often seen as a source of cheap labour by employers who do not provide quality-on-the job training;
- . does not allow for the recognition of students' prior knowledge and skills;
- . does not allow for high achievers because it is based on a time-served approach;
- . lacks national consistency;
- . is inflexible and cannot adapt easily to the needs of industry;
- . has not kept pace with industry developments and because it is craft-based its coverage has not extended beyond those traditional areas to cover other areas of work;
- . does not provide any mechanism which would assist with the re-skilling and further skilling of tradespeople following several years experience;
- . has locked employers into the TAFE system, a system portrayed as being unresponsive to industry needs; and
- . fails to deal with cyclical fluctuations in the economy.

2.20 The General Manager of the National Plastics and Rubber Industry Training Council summed up the situation as follows. He asserted:

“In our experience, it is no longer appropriate to consider that a craft-based training system will provide the necessary skills for the operation of multimillion dollar manufacturing equipment to the degree of sophistication that is being introduced currently into Europe and into America”<sup>13</sup>.

2.21 “The apprenticeship system was introduced to Australia in the early part of the nineteenth century in response to the demand for trade skills in the expanding colonies”<sup>14</sup>. While there have been some minor changes to the system, the Committee believes that the current system cannot adjust to a rapidly changing work environment and must be reformed immediately.

2.22 Much of the evidence supported the establishment of the Australian Traineeship System, particularly where a huge gap in the entry-level training available in some sectors of some industries existed. However, the following areas were highlighted by various parties in evidence as requiring change:

- . restrictive age eligibility;
- . the relevance of some courses to individual employers;
- . the relevance of the format of the ATS, based as it is on the school year; and
- . the appropriateness of the format to some industries.

2.23 Furthermore, in its paper on an integrated entry-level training system, the Department of Employment Education and Training states:

“Traineeships are seen to be of lower status than apprenticeships and (related to this) tend to be in occupations employing a high proportion of females. Traineeships are often seen as an alternative to Year 11-12 for the less able, as a transition from school to work program or as a labour market program for the disadvantaged .... The take up rate among employers has also been variable. Many large employers have not participated and a number of significant industry sectors have not developed traineeship models. Many small employers have participated, but the more extensive participation of small employers has been restricted because there is no tradition of participation by some industries in apprenticeship type arrangements”<sup>15</sup>.

2.24 Throughout the inquiry, many witnesses commented on the way in which Australians hold a non-professional career in low esteem. Other witnesses complained about the difficulty in attracting suitable recruits because of a perception that trade training is inferior to other avenues available to young people. The issue

was also raised several times during the Committee's workshop where one participant argued:

“... we have had a particular kind of valuing within which we have seen head work, mind work, if you like, academic values, as being the higher kind of vocationalism and hand work as being the lower kind of vocationalism”<sup>16</sup>.

2.25 Vocational training and TAFE will continue to be held in lower esteem until there is a radical change in attitudes in the education system. While the Australian Education Council Review Committee noted that there is an increasing community awareness of the value of TAFE and vocational training, there is a strong preference among school leavers and their parents for higher education rather than TAFE. Reasons for these attitudes have been identified as:

- . school curricula is still largely concerned with tertiary entrance;
- . the recreational nature of many TAFE courses;
- . TAFE continues to be seen by secondary teachers as an option only for early school leavers;
- . careers following higher education are held in higher esteem than careers in industry following TAFE training; and
- . society does not value and reward skills and knowledge required in industry<sup>17</sup>.

2.26 There is no doubt that the prejudices relating to the different status of the various occupations continue to be reinforced in schools. The effectiveness of any entry-level training system depends on young people being aware of, and fully understanding the various options available. The Principal of Hervey Bay College, for example, told the Committee that even though 75 per cent of students will not pursue a career in the academic professions, the quality and the quantity of career counselling that is available in the first 10 or 12 years of schooling is very much greater in the academic professions than it is in the manufacturing and commercial areas. He is concerned that:

“ ... most of the career counselling is being done by secondary school teachers or ex-secondary school teachers who have no real world experience and therefore, no matter how much they

read, they cannot convey the understanding, the commitment and the enthusiasm that we are going to need to try and put young people into the workplace productively<sup>18</sup>”.

2.27 It is essential that teachers be in a position to effectively advise students of their options. One means is to give teachers first-hand experience in industry. A number of States operate teacher release to industry programs. These have been described as very successful. In Victoria, teacher release has been operating for two years and 400 applications have been received for 60 places for 1992. In Queensland individual schools are funding their own teacher release programs. The Australian Chamber of Manufactures believes that the release program could be further developed by adopting industry placement as a standard part of teacher training.

2.28 Both the Australian Education Council Review Committee<sup>19</sup> and the National Board of Employment, Education and Training<sup>20</sup> emphasised the importance of proper careers education in schools. It was the Board's view, and was also supported by the Australian Education Council Review Committee, that the major objective of careers education in schools is to assist students to make informed decisions about their education, training and employment options. Careers education has a significant contribution to make to young people's personal development and particularly to the fostering of a highly competent society. This can be achieved by improving understanding of the range of post-school options and the changing nature of work. The Committee fully supports careers education programs in schools.

2.29 It is similarly important that teacher release to industry applies to the TAFE sector. While most TAFE teachers would have had extensive experience in industry prior to entering teaching, the nature and requirements of the workplace are continually changing. Knowledge gained in the past may need to be supplemented. In addition, TAFE teacher placement will reinforce the essential links which must exist between TAFE and industry.

### **Recommendation 1**

The Minister for Employment, Education and Training together with the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) ensure that school and TAFE teacher release to industry is an integral part of in-service programs.

## Chapter 2 - Endnotes

- 1 Australian Education Council Review Committee, *Young People's Participation in Post-Compulsory Education and Training*, AGPS, July 1991, p. 15.
- 2 *Apprenticeship Statistics 1978-79 to 1987-88*, Prepared by the Department of Employment, Education and Training for the Commonwealth/State Training Advisory Committee, AGPS, 1990, p. 8.
- 3 Sweet, R., 'Initial Vocational Preparation: Facts and Issues; Costs and Benefits', *Report of the Training Costs Review Committee*, Volume 2, AGPS, 1990, p. 225.
- 4 *ibid.*
- 5 Sweet, R., *op.cit.*, p. 228.
- 6 Department of Employment, Education and Training, *Program Performance Statements 1991-92*, Budget Related Paper No. 8.6A, August 1991, p. 86.
- 7 Australian Education Council Review Committee, *op.cit.*, p. 29.
- 8 Department of Employment Education and Training, *A New Structured Entry-Level Training System for Australia*, Canberra, June 1991, p. 10.
- 9 *ibid.*, p. 8.
- 10 Pappas Carter Evans and Koop, *Industry Funded Training in Australia: A Report to the Training Costs Review Committee*, AGPS, September 1990, p. 7.
- 11 Department of Employment, Education and Training, *Selected TAFE Statistics, 1989*, AGPS, Canberra.
- 12 Hon J Dawkins, MP and Hon C Holding, MP, *Skills for Australia*, AGPS, 1990, p. 57.
- 13 Fahey, D., *Sydney Transcript*, 6 February 1991, pp. 139-140.
- 14 Commonwealth/State Training Advisory Committee, *Essential Features of Australian Training Systems*, AGPS, 31 December 1987, p. 1.
- 15 Department of Employment, Education and Training, June 1991, *op.cit.*, p. 9.
- 16 Collins, C., *Workshop Transcript*, 2 October 1991, p. 70 (proof).
- 17 Australian Education Council Review Committee, *op.cit.*, p. 27.
- 18 Smith, L., *Workshop Transcript*, 2 October 1991, p. 38 (proof).
- 19 Australian Education Council Review Committee, *op.cit.*, p. 153-163.
- 20 National Board of Employment, Education and Training, *Strengthening Careers Education in Schools*, AGPS, 1991.

## CHAPTER 3

### INTEGRATED ENTRY-LEVEL TRAINING

#### Introduction

3.1 Australia's education and training system is not adequate because 30 per cent of the 15 to 19 year old age group receive no further education or training upon completion of school, and some 10 per cent of that age group become unemployed.

#### Entry-level training - a working definition

3.2 The discussion paper *A New Structured Entry-level Training System for Australia* released by the Department of Employment, Education and Training in June 1991, defines entry-level training in relation to the entry or re-entry of young people and adults to the workforce at levels 1-3 of the National Training Board's Australian Standards Framework (see following page). The Department of Employment, Education and Training adopted this rather narrow definition in order to conduct "a manageable examination of this important part of the total vocational education and training system"<sup>1</sup>.

3.3 The Committee has adopted the definition used by the Australian Education Council Review Committee, which defines entry level training as training taken to gain entry to the workforce. "It generally involves structured on-the-job and/or off-the-job training leading to some sort of occupational qualification. The current entry-level training system in Australia is dominated by the apprenticeship system, but also comprises the Australian Traineeship System, full-time TAFE or equivalent and some other work-study combinations"<sup>2</sup>.

## The Australian Standards Framework (National Training Board)

### Competency Levels

**Level 1:** The person has an established work orientation, and the knowledge and skills required to perform routine, predictable, repetitive and proceduralised tasks, involving very limited theoretical knowledge and motor skills, and under close supervision.

This level corresponds to a competent operative or service sector worker.

Current preparation for employment at this level is generally obtained through job specific training, mainly in the workplace, which may be certified by appropriate authorities.

**Level 2:** The person has an established work orientation, and the knowledge, skills and demonstrated capacity to perform proceduralised tasks under general supervision and more complex tasks involving the use of theoretical knowledge and motor skills under close supervision.

This level corresponds to an advanced operative or service sector worker.

Current preparation for employment at this level is generally obtained through job specific or general training which may be certified by appropriate authorities.

**Level 3:** The person has an established work orientation, and the knowledge, skills and demonstrated capacity for self-directed application (including the selection and use of appropriate techniques and equipment) required to perform tasks of some complexity involving the use of applied theoretical knowledge and motor skills.

This level corresponds to a competent skilled autonomous worker.

Current courses of formal vocational education and training available to assist in preparing for employment at this level generally are those leading to a trade certificate or equivalent in a non-trade occupation.

Source: National Training Board, *National Competency Standards: Policy and Guidelines*, NTB, January, 1991.

### DEET proposal for an integrated entry-level training system

3.4 According to the foreword of the paper released by the Department of Employment, Education and Training, the "discussion paper proposes a set of principles for a new structured entry-level training system in Australia"<sup>3</sup>. The discussion paper follows a decision by Commonwealth and State Ministers to move towards a unified entry-level training system incorporating and expanding upon the apprenticeship and traineeship system.



## Principles for a new integrated entry-level training system for Australia

**Principle 1:** The system will be responsive to industry's, current and future training requirements and the need for a flexible and adaptable workforce.

**Principle 2:** The system will be competency-based in terms of delivery, assessment and certification. Credentials will be publicly issued and will be based on demonstrated attainment of competencies, defined in terms of the National Training Board's Australian Standards Framework.

**Principle 3:** The system will relate to Level 1 through to Level 3 competencies as defined in the Australian Standards Framework by the National Training Board.

**Principle 4:** Education and training provision will encompass competencies appropriate to the industry concerned, core vocational competencies, and optional modules that can be chosen to suit enterprise and individual preferences. Where necessary, opportunities will be available for learning of key general competencies.

**Principle 5:** The system will be based on a flexible combination of integrated on and off-the-job education and training, which where work-based, will usually be undertaken under a formal training agreement. The system will allow for credit for prior training and competencies, however achieved, including recognition of overseas qualifications through mechanisms established for that purpose. The mix and timing of on and off-the-job training and the duration of the training agreement will vary depending on the skills to be achieved, the nature of the occupation, the needs of the trainee and the circumstances of the enterprise.

**Principle 6:** The system will provide for recognition and accreditation of off-the-job training provided by schools, TAFE or approved private, enterprise or community training facilities. Where government funds off-the-job training, a share of this funding will be made available through a competitive tendering system open to both government and non-government providers. The tendering system will be phased in and its extent will be determined by its effectiveness.

**Principle 7:** The normal mode of entry to positions requiring Level 1 through Level 3 competencies will be through the structured entry-level training system or by demonstrating, through a formal process of assessment, that the necessary competencies have been acquired. Structured and supervised arrangements may be a legal requirement for entry to occupations where certification is necessary or where young people are to be trained.

**Principle 8:** The system will expand and improve structured entry-level training opportunities for young people, and provide equitable access for adults.

**Principle 9:** The system will aim to enhance access for women in terms of increased opportunities in non-traditional areas and in extending structured training to traditionally female occupations.

**Principle 10:** Support will be available for disadvantaged people to assist their participation in the structured entry-level training system.

**Principle 11:** In order to allow a desirable degree of flexibility in how work, study and training are combined, remuneration of trainees will take the form of an allowance rather than a wage. Training allowances to operate under the system will build on the principles underpinning existing Commonwealth/State policy on youth and training wages. The allowance will need to take into account:

- competency levels;
- the extent of off-the-job training, including any additional training provided that is focused on key general competencies;
- the nature and quality of on-the-job training and the extent of its focus on training as against production; and
- the need to maintain sufficient opportunities for those that seek training.

Government income support arrangements for both youth and adults need to be consistent with and facilitate the development of the system.

**Principle 12:** Industry will be fully involved in the development and operation of the system, including new cooperative arrangements to ensure the outcomes of training in industry. The new system will be relevant to the needs of internationally competitive industry.

**Principle 13:** All young people engaged under the structured entry-level training system will carry the same designation and will be known as 'trainees'.

Source: Department of Employment, Education and Training, *A New Structured Entry-level Training System for Australia*, DEET, June, 1991.

3.5 The proposal for an integrated entry-level training system put forward by the Department of Employment, Education and Training was discussed by participants during the Committee's workshop held on 2 October 1991. In general, participants were broadly supportive of the principles outlined in the discussion paper. However, a number of reservations about the proposal were raised during the workshop. These are discussed below.

3.6 One concern raised at the workshop relates to the appropriateness of including level 1 standards of the National Training Board's Australian Standards Framework in the new training system. One workshop participant<sup>4</sup> commented that industry was requesting workers with high levels of skills, that is, workers who could think, work in teams, cooperate and communicate. However a young person emerging from a training course at level 1 would be performing "routine,

predictable, repetitive and proceduralised tasks, involving very limited theoretical knowledge and motor skills, and under close supervision”<sup>5</sup>. The participant stated that:

“... it is dehumanising to young people and if we are serious about developing a new and improved entry level training framework for this country, we have to seriously question the suitability of doing it within definitions of skill and competence which reduce young people to nothing more than cogs in an industrial machine”<sup>6</sup>.

3.7 Other participants disagreed with this view. One stated that the National Training Board's levels conform to the notion of a structured career path program<sup>7</sup>. The National Training Board representative stated that levels 1 to 3 were designed to reflect the current structure of the Australian workforce and at least 70 per cent of current workers will be covered by these levels. He also commented that enterprises were not compelled to recruit workers at skills levels as low as level 1, but observed that no country had totally eliminated jobs that may be considered dehumanising<sup>8</sup>.

3.8 The Committee agrees that the skills required for level 1 competencies are extremely low. A training strategy designed only to meet these minimum standards would be inappropriate for a country striving to become internationally competitive. The Committee accepts however that most people will enter employment at levels higher than this. Level 1 should be recognised as a starting point or representing induction training. As the nature of the workplace changes, there will be fewer positions classified at this level other than those designated as initial training positions.

3.9 One witness warned that the relationship between industrial awards and competency standards could lead to a “whole new set of rigidities in the labour market”<sup>9</sup>. There is a danger in developing a framework which is inflexible and which could quickly become outdated. This would result in the situation which exists at present of requiring major reform rather than minor adjustment.

3.10 The Committee supports the concept of integrating apprenticeships and traineeships into one entry-level training system. It is vital however that the system be truly integrated with greater training opportunities available for young people across all industries and not just integrated in name.

### **Training agreements**

3.11 The current apprenticeship indenture arrangement (often described in terms of a master/slave relationship) is no longer relevant. A more modern and flexible convention needs to be established as the next century approaches. The discussion paper proposes that integrated on and off-the-job training will be provided under a training agreement<sup>10</sup>. The paper does not canvass the form or content of such an agreement or who the parties to such an agreement might be. An agreement which sets out the understanding between the parties would appear far more appropriate than an indenture. The Committee is of the view that an agreement between a trainee and an employer in employment-based situations is essential. This may be the only guarantee that certain conditions (such as the quality of training) are met by the parties involved.

#### **Recommendation 2**

The Minister for Employment, Education and Training together with the Ministers of Vocational Education, Employment and Training (MOVEET) develop a legislative framework to require formal training agreements between an employer and a trainee involved in formal, structured entry-level training and that these agreements be developed on a nationally consistent basis.

3.12 The discussion paper also suggests that because a competency-based training system based on national standards is to be adopted, the system “will allow for the recognition of training regardless of where or how it is undertaken. Hence, training can be undertaken through an institution (TAFE or private), through schools, in the workplace, a skill centre or through a community-based training facility”<sup>11</sup>. It is not clear from the discussion paper what the intention is in regard

to any training agreement that may be necessary outside those made directly between a trainee and an employer.

3.13 The Committee considers that an agreement between a trainee (not in employment) and the training provider (outside of direct employee/employer relationships) is not essential. Such an arrangement is more akin to that which currently exists when students undertake any course of study or training. However, the training provider should make available clearly enunciated aims and objectives of any course or module being provided, including expected outcomes, the final certificate of attainment and any credit that may be carried to other courses. By virtue of accepting a place in a particular course, the trainee accepts those stated claims. This of course is predicated on the training provider being fully accredited.

## **Funding**

3.14 A further issue raised in the discussion paper is that of funding, that is, the extent to which non-TAFE off-the-job training should be fully funded<sup>12</sup>. The Committee was told that there is likely to be an expectation by private providers that public funds should be provided for training which complies with properly endorsed standards<sup>13</sup>. With the freeing up of the training market those participating in the provision of vocational education and training will increasingly include schools, employers and private providers.

3.15 Some questions are:

- . will schools be expected/able to move into the provision of vocational training within their current funding arrangements?
- . with the increasing involvement of private and enterprise providers is there likely to be duplication of infrastructure and other support arrangements?

3.16 The Department of Employment Education and Training discussion paper suggests that with a diverse range of providers, a likely outcome is greater price and service competition. The paper raises two concerns:

- . government tendering for off-the-job training could result in a shift in cost to

governments for training which already occurs; and private sector providers may only offer training in areas where there is a potential to make a profit, leaving the public sector to provide training in the more expensive and remote areas.

3.17 The discussion paper flags these issues without comment and without providing any possible solutions. It argues that further consideration of funding is necessary. Issues of funding are fundamental to any discussion of entry-level training and the Committee believes that any specific funding proposals should be clearly stated and widely discussed. The resourcing of vocational training is inadequate. It is essential that if Australia is to achieve its goal of becoming internationally competitive, greatly increased resources must be devoted to increasing the skills of workers. This issue is taken up in detail in chapter 6 of this report.

### **Framework for the new integrated training system**

3.18 The framework for any new system is an important consideration which will affect implementation and therefore success. The Department of Employment, Education and Training discussion paper essentially canvasses three models, none of which the Committee finds totally satisfactory. These models are:

- a legislative approach which extends the range of occupations under which young people below a certain age must be engaged in structured training if they are to be employed in that occupation;
- an alternative legislative approach which would “make it compulsory for young people to attend school, TAFE or equivalent at least on a part-time basis until they are 19”<sup>14</sup>; or
- an approach which is based on the award system, whereby training rates can be paid to a “young person engaged under a training agreement within the structured entry-level training system”<sup>15</sup>.

3.19 The first model places the training onus on the employer rather than the individual. Under this model, employers would be involved in the selection

and provision of training relevant to their own enterprise. This would no doubt have a certain appeal. However, while the Committee supports the concept that structured entry-level training must be provided for most young people, this type of training is only available in a small number of industries. The extension to all industries will require discussions between the parties and will take time to devise. To impose legislative requirements at this stage will not succeed. The outcome is likely to be the employment of adults who will not be covered by the legislation. Over time the value of entry-level training will be understood by all industry sectors and will be generally available without the need for legislation.

3.20 The second model places the onus on the individual. It is difficult to support a proposal that reinforces the concept of time and age and is contrary to the reforms now taking place which will lead to all education and training being competency-based. In the Australian context, it may also be difficult to compel young people up to the age of 19 to attend some form of education or training. Such compulsion may not achieve the desired effect if the young person is reluctant to continue and where the training may not seem relevant. It is clear from evidence received during previous Committee inquiries that, many students who stay in education because of the state of the labour market or because of incentives such as Austudy have low motivation, perform poorly and are disruptive in class.

3.21 The third model is reliant on the award system. The Committee considers that this model is inappropriate due to the nature of the youth labour market where award coverage of occupations employing youth is not extensive. One of the difficulties in the current reform process is the inflexibility imposed by awards and their inability to respond quickly to required changes.

3.22 The Committee was unable, in the context of this inquiry, to canvass the issues and implications of compelling young people to remain in education and training until age 19. A fuller discussion of this topic is taken up in the section dealing with targets. Issues relating to compulsion in education and training may form the basis of a separate report by this Committee.

3.23 The Department of Employment, Education and Training argues that the new integrated entry-level training system may have the capacity to change the mix of on and off-the-job training:

“Thus, in a downturn, there may be a higher proportion of off-the-job training provided and it may be provided earlier in the training period. Care will, however, need to be taken to ensure that through this process there is not an inappropriate move to more institution based training and therefore in costs to the public purse”<sup>16</sup>.

3.24 The Committee regards this claim as questionable and rather naive. Firstly, the commencement of an economic downturn is not immediately apparent and may take some time to be realised. Once realised however, it would be surprising if any system could respond quickly to the increased demands for courses including the necessary staffing resources, infrastructure and so forth. It is also unlikely that enterprise providers would be able to pick-up the additional demands during periods of economic downturn. This then leaves institution-based providers, and as the paper itself warns, care would need to be taken to ensure that there is not a greater reliance on institution-based training.

3.25 Of equal concern is that programs devised in response to a downturn in the economy, may be of a quality which does not conform to the requirements of structured entry-level training. Many of the existing labour market programs are criticised because they do not lead to entry into the structured entry-level training system.

3.26 The Committee rejects the argument that off-the-job training should be tied to the state of the economy. The Committee accepts however that a downturn in the economy may result in fewer employment opportunities within an industry. Individuals should have access to off-the-job training (perhaps of limited duration), without the need for employment in the particular trade or vocation.



## Adults

3.27 The discussion paper refers briefly to the impact of a new integrated entry-level training system on adults wishing to enter or re-enter the training field. The treatment of this important issue is relatively cursory with very little detail on what mechanisms might be established for adults to have access to structured training. Given that issues of the restrictive age limitations currently applying and the inflexibility of the current system in dealing with adults were raised in many discussions as one of the key problems with the current arrangements, this part of the discussion paper is inadequate.

3.28 While the Committee agrees that adult participation should not be extended at the expense of opportunities for young people, it would be all too easy to accept platitudes without making the necessary provision for adults to tap into the system. The needs which adults may have for entry-level will vary depending on the individual's circumstances and include:

- . adults who for various reasons have missed out on training opportunities when they themselves were young;
- . the changing nature of the workplace which:
  - requires training of some workers who had formally been considered unskilled (the vehicle industry certificate developed in Victoria is a good example);
  - has meant that jobs no longer exist and people affected by those sorts of changes require training to enable them to obtain work in other areas.

3.29 The Committee discussed the establishment and benefits of re-entry centres for adults during its visits, for example, at Inbarendi College, South Australia and Oxley Secondary College, Queensland. It was clear from these discussions that the approaches adopted by States and Territories in the provision of adult education varies considerably. These differences in approach can disadvantage those seeking to re-enter the education and training system.

3.30 TAFE has traditionally offered adult education. The Committee considers that the provision by one sector only is too narrow. It is essential that mechanisms be established which enable adults to access entry-level training more broadly. One such mechanism which the Committee favours is through the establishment of re-entry centres which can provide the necessary training in an environment appropriate to adults. It is not essential that the centres be established as separate institutions. The restructuring of the provision of education and training to take into account the different needs of adults with no upper age limit on entry is all that is required. Some education systems have made considerable progress in this regard.

### **Recommendation 3**

The Minister for Employment, Education and Training together with the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) establish national principles for the provision of education for adults in appropriate environments both outside and during business hours.

3.31 Other avenues for re-entry training involve a range of labour market programs, including Skillshare and Jobstart. In chapter 6, the Committee argues that it is essential that the various programs offered for adults are relevant and are able to be integrated into the training system.

### **Access and equity**

3.32 A new integrated entry-level training system must address the fact that the current training system fails to provide accredited training for half of the 15 to 19 year old population. The training that is provided does not have the same recognition as training undertaken in an apprenticeship. This has implications for those working in these occupations in terms of skills recognition, mobility between employers and career advancement.

3.33 Women have traditionally fared better in institution-based systems (for example, schools, TAFE, private providers) than employment-based systems such as apprenticeship. One commentator warns however that there are three main dangers for women in a strategy which relies on increasing entry-level training through school or institution-based programs:

“Firstly, that women will become disproportionately concentrated in this form of entry-level training. Secondly (and simultaneously), that its employment outcomes and income support conditions will be inferior to work-based entry-level training (eg apprenticeship). Thirdly that the counter sexist strategies necessary to realise the potential of the form of entry-level training to reduce occupational segmentation will not be funded to ensure its success”<sup>17</sup>.

3.34 TAFE plays a crucial role in providing access to training for many of the most disadvantaged in our community. The Australian Education Review Committee believes that equity targets for young people should be set for TAFE and other trainers<sup>18</sup>. The Committee believes these targets should apply to all people who are in need of such training.

### **Competency-based training**

3.35 In April 1989 at a Special Ministerial Conference on Training, Ministers agreed in principle to the establishment of a competency-based training system for Australia and to the establishment of the National Training Board (NTB) which would be responsible for endorsing industry competency standards. Ministers made a commitment that 50 per cent of the award workforce would be covered by competency standards by 1992.

3.36 In November 1990 at another Special Ministerial Conference, Ministers made further agreements with regard to competency based training. They agreed to proceed to:

- a restructure of inter-governmental training advisory bodies;
- make substantial progress in the implementation of competency based training by 1993;

- . endorse integrated curricula for on and off-the-job training by the National Training Board;
- . develop a national framework for vocational education and training; and
- . establish an integrated entry-level training system<sup>19</sup>.

3.37 The National Training Board was founded in February 1990 to establish a national framework of competencies and endorse competency standards proposed by industrial parties. The National Training Board works in co-operation with each industry to set up national skills standards for their occupations. Each industry through its own training body is responsible for developing appropriate standards which are then endorsed by the National Training Board. Industry training bodies are tripartite organisations with union, industry and government representation.

3.38 According to information provided by National Training Board, 19 industry training boards have been recognised by the Board as at October 1991. These include:

- . Tourism Training Australia, **Tourism and hospitality industry;**
- . National Road Transport Industry Training Committee, **Road transport industry;**
- . National Plastics and Rubber Industry Training Council, **Plastics industry;**
- . National Electrical and Electronic Industry Training Committee, **Electrical contracting industry;**
- . Australian Regulatory Authorities Licensing Committee, **Restricted electrical licences;**
- . National Forest Industries Training Council, **Forest industries;**
- . National Building and Construction Industry Training Council, **Building and construction industry;**
- . National Training Advisory Council (Waterfront), **Waterfront industry;**
- . Workplace Trainer Standards, **Workplace trainers;**
- . National Retail Industry Training Council, **Retail industry;**
- . National Printing Industry Training Council, **Printing industry;**
- . National Furnishing Industry Training Council, **Furnishing industry;**

- Textile, Clothing and Footwear Industry Training Council, **Textile, clothing and footwear industries;**
- Australian Chamber of Commerce, **Small business;**
- Rural Training Council of Australia, **Rural industry;**
- National Maritime Industry Training Council, **Maritime Industry;**
- National Fire Industry Training and Development Project, **Fire services industry;**
- National Metal and Engineering Training and Career Development Project, **Metals and engineering industry;**
- Real Estate Institute of Australia, **Real Estate industry.**

3.39 The National Training Board is currently working on the development of *competency standards with approximately 40 industries*. The *tourism and hospitality industry* is the only industry which has had *competency standards\** endorsed by the National Training Board<sup>20</sup>. In addition, restricted electrical standards have been endorsed by the Board which apply across a variety of industries.

3.40 The framework set up by the National Training Board consists of eight levels of competency, each illustrating requirements for vocational skills, relevant industry skills, amount of training completed, and knowledge and attitude in performing tasks. The framework suggests that entry level training should be provided at levels 1 to 3. Department of Employment, Education and Training has projected in its report on entry-level training, that from time to time, as targets are reviewed and achieved, new targets will be set and the skill level of workforce entrants will be increased.

3.41 Competency based training is part of the national endeavour to increase skills in the workforce. The aim is to provide certification as a result of proving competence rather than completion of a training course. Through competency-based

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\* The standards are in the food and beverage area and kitchen area.

training, a trainee will be assessed against agreed standards of a particular industry rather than being assessed on achievement relative to other trainees over a set period of time.

3.42 With a new system of registered credentials recognised nationally rather than a mix of credentials in each State and Territory, competency-based training should eliminate confusion in terms of competencies and accreditation. A national based framework will also provide one process to gain credit transfer, registration and accreditation rather than the present eight systems operated by the States and Territories.

3.43 The Committee endorses moves to establish national competency standards but notes with concern the little progress made to date by the parties involved (including industry, unions and where relevant government representatives), in developing standards. The aim of governments to have 50 per cent of the award workforce covered by competency standards by 1992 (even the second half of the year) is unlikely to be realised. There must be a greater commitment by all parties involved in the re-structuring process, if this goal is to be achieved within the time frame necessary to ensure Australia's economic survival into the 21st century.

3.44 As curricula gradually become competency-based, students will be assured that competencies gained will reflect the needs of industry and be nationally recognised. Employees can be confident that receipt of certification of job competency is based on current needs in an industry, consistent with national standards and equally valid in all parts of Australia. This also means that an individual's prior learning will be recognised regardless of where and how it was acquired. Ideally, an employer will be assured that a certified employee is competent in all aspects of nationally required standards regardless of where that employee received his or her training.

3.45 Although there are these clear cut advantages to competency-based training, it must be recognised that these advantages are not without cost. The

move to competency-based training requires a revision of all curricula as well as other teaching materials and delivery mechanisms. This is being done State by State and is an expensive and protracted process.

3.46 If competency-based training is linked with self-paced learning, it is likely to cause difficulties for people with poor literacy levels. According to Queensland Government representatives, one Queensland college found after conducting a trial that:

“there is six times more reading associated with self-paced competency-based training than with traditional modes of delivery”<sup>21</sup>.

3.47 This problem is already in evidence. The Committee was told at its Perth hearing that the literacy demands of competency-based training when linked to self-paced instruction was apparent in a particular group of trainees (metal trades) who were failing or having considerable difficulty because of inadequate literacy and numeracy levels<sup>22</sup>.

3.48 Small employers may have difficulty in providing broad practical work which many courses may require. Equally unclear is how assessment of off and on-the-job training will be integrated. It is understood that employers may have some concerns about this and perhaps may make them reluctant to move towards competency-based training.

3.49 Large companies are also seeking assistance for the change over. An Email representative at the workshop indicated that many employers are resistant to adopt competency-based training because of the cost. He stated:

“... we would not have been anywhere near as far down the path as we are had it not been for the Education Training Foundation of New South Wales. They played a major part in funding us, and we are not a small organisation either ....”<sup>23</sup>.

3.50 There is a perception that the move to competency-based training will only result in a cost to employers without any consequential benefits. The benefits to employers of competency-based standards, need to be clarified in more detail.

3.51 The Committee is concerned about the preparation of teachers and industry trainers to deliver and assess the new modules. Obviously, this is a major shift in the way in which courses have been delivered and assessed in the past. Much of the success of the reforms will be reliant on the implementation in schools and TAFE colleges.

3.52 It is obvious from information provided to the Committee that teachers have not been involved in the reform process because it is occurring in the industrial and political arena. Furthermore, information about the various reform proposals is only slowly filtering through to classroom educators and trainers. One teacher union representative at the workshop asserted that the level of teacher ignorance of these proposals is high<sup>24</sup>. While it is understandable that teachers may have difficulty in keeping up-to-date on the various proposals, the Committee believes that this must not continue beyond the point where a decision on a particular issue is reached.

#### **Recommendation 4**

The Minister for Employment, Education and Training seek agreement of the Australian Education Council and the Ministers of Vocational Education, Employment and Training to conduct information campaigns informing teachers and trainers about decisions which impact on the provision of education and training to young people in their respective sectors and in relation to any cross-sectoral issues.



### Chapter 3 - Endnotes

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- 5 National Training Board, *National Competency Standards Policy and Guidelines*, Canberra, January 1991, p. 12.
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- 7 Fahey, D., *Workshop Transcript*, 2 October 1991, p. 13 (proof).
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- 10 Department of Employment, Education and Training, June 1991, op.cit., p. 20.
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- 17 Pocock, B., *Women and Entry-level training in Australia: A discussion paper*, University of Adelaide, September 1991, p. 6.
- 18 Australian Education Council Review Committee, op.cit., p. 148.
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- 20 National Training Board, *Network*, No. 2, August 1991.
- 21 Zimmerman, J., *Brisbane Transcript*, 13 June 1991, p. 489.
- 22 Lyons, T., *Perth Transcript*, 8 July 1991, p. 557.
- 23 Jones, B., *Workshop Transcript*, 2 October 1991, p. 6 (proof).
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## CHAPTER 4

### EMPLOYER SUBSIDIES/TRAINING WAGE

#### **Introduction**

4.1 Currently the Commonwealth provides funding subsidies through the Commonwealth Rebate for Apprentice Full-time Training (CRAFT) Scheme and the Australian Traineeship System (ATS). Proposals for a new training wage are being supported by Commonwealth and State Ministers. The proposal is central to the development of a new integrated entry-level training system. Issues related to the proposal are considered in this chapter.

4.2 The Employment and Skills Formation Council (of NBEET) has been requested to examine AUSTUDY, CRAFT and ATS subsidies and to advise on alternative strategies which would make expenditure of these funds more effective. In examining these issues, the Employment and Skills Formation Council is conducting a process of consultations with interested parties.

#### **Audit findings**

4.3 The audits by the Australian National Audit office (Audit Reports No. 7 of 1988-90 and No. 22 of 1990-91) of the CRAFT Scheme did not address the program's effectiveness in increasing the numbers of apprentices in training. Rather, the purpose was to assess the efficiency and effectiveness of the general administration of CRAFT "with particular attention being paid as to whether or not the Department had developed suitable criteria for performance evaluation and had instituted a program of regular review of the results of operation"<sup>1</sup>.

4.4 The Australian National Audit Office made a number of recommendations concerning the processing of applications and payment of entitlements and the adequacy of data collected to assist in monitoring and evaluating program performance. The Department of Employment, Education and Training advised that it had already or was in the process of implementing the recommendations of the Australian National Audit Office.

4.5 The Committee's discussion will therefore concentrate on the program's effectiveness which was not covered by the audits. In its review of the issues of financial support of entry-level training the Committee has looked at the current arrangements for funding and proposals for the future. Funding arrangements underpin the Commonwealth policy in this area.

#### **CRAFT**

4.6 The Commonwealth Rebate for Apprentice Full-time Training (CRAFT) Scheme was introduced in January 1977 to replace the National Apprenticeship Assistance Scheme. The National Apprenticeship Assistance Scheme was payable for only one year and was based on achieving a level of apprentice recruitment commensurate with the number of tradespeople employed.

4.7 The main component of CRAFT was until 1988 the Technical Education Rebate which made only one payment each year for each eligible apprentice. This payment varied by trade, the year of apprenticeship and the stage of technical education. From January 1988 the Apprentice Training Incentive replaced Technical Education Rebate. This component of CRAFT makes two payments of \$1 500 for each eligible apprentice, one at the beginning of the apprenticeship and one at the end. The other components include the Living Away from Home Allowance and Fares Assistance.

4.8 Actual expenditure on CRAFT in 1990-91 was \$87.895m after an initial budget estimate of \$92.564m. The 1991-92 budget estimate is for \$84.946m<sup>2</sup>.  
The aim of CRAFT is:

“To maintain or increase the numbers of apprentices undergoing training; promote improvements in the apprenticeship system and the quality of training provided by employers; improve productivity; and assist apprentices who must live away from home”<sup>3</sup>.

4.9 In September 1990 the CRAFT Off-the-Job training rebate was abolished by the government. According to the Department of Employment,

Education and Training, reviews of the program had demonstrated its lack of usefulness and its inability in promoting improvements in industry training. The program was pre-dominantly being used by large employers in the metal and electrical trades who had the capacity to undertake their own training. There was no indication that the program had made any impact on training or recruitment in industry.

4.10 Some witnesses at hearings held by the Committee have expressed their concern at of the removal of CRAFT off-the-job subsidies. They argued that the removal of Off-the-Job rebate has made it difficult for training centres to survive and apprentice intake has fallen. One workshop participant representing the Australian Chamber of Manufactures cited two effects of withdrawing the Off-the Job rebate:

“Firstly, we had to increase our rates to employers quite significantly in order to remain commercially viable and, secondly, it obviously had an impact on employers' readiness to put apprentices through the centre. In many cases employers reduced the numbers, or in some cases simply said they could not proceed”<sup>4</sup>.

4.11 In the discussion paper on vocational training prepared for the Training Costs Review Committee, Sweet states that the quality, value and relevance of skills programs are of greater consideration to employers than costs and rewards. The paper shows that:

“Commonwealth trade training expenditure per apprentice rose in real terms by 78% per cent between the late 1970s and the early 1980s, but over the same period annual apprenticeship commencements rose only minimally. By 1982-83 expenditure per apprentice in training was double its level in 1977-78, and yet apprenticeship commencements had fallen by nearly a third from their 1980-81 peak. Since 1984-85 real expenditure per apprentice has fallen by 24 per cent, but apprenticeship intakes are at a record level”<sup>5</sup>.

4.12 Studies on the impact of changes to subsidies on the employment of apprentices suggest that there is little correlation between the two variables. The principal conclusions from one study show that “ ... large changes to the cost structure associated with the hiring of apprentices affects employment only in the metal and electrical trades ... and that marginal changes to ... training subsidies have a negligible impact on the employment of apprentices”<sup>6</sup>.

4.13 Another study into the effectiveness of CRAFT subsidies has determined that it has been “very effective in the metal trades, fairly effective in the electrical trades, of some effect in the building trade, but ineffective in the printing and motor mechanic trades”<sup>7</sup>.

4.14 The Committee consulted almost all witnesses throughout its public hearings around the country with a direct interest in the receipt of employer subsidies, especially CRAFT, about the extent to which it influenced their decision to take on apprentices. To the Committee's surprise most witnesses argued that CRAFT did not significantly influence decisions to take on apprentices. Other comments were ambivalent. For example, the Committee was told by the Chief Executive of Tourism Training Australia that “employers would strongly oppose removal of CRAFT ... however, a percentage of employers do not believe that wage subsidies are a major incentive anyway but that issues such as wage structure are more fundamental”<sup>8</sup>.

4.15 Many of those who thought that CRAFT did not impact significantly on the number of apprentices recruited argued, that the company had a requirement for a skilled workforce and their training of apprentices was a realisation of that need. It is true to say that large companies are more representative in this group than smaller ones. The Committee encountered enterprises of all sizes which are committed to training and traditionally engage in training apprentices.

4.16 The Committee was told by some employers that they actively encourage their graduating apprentices to seek employment elsewhere in order to

broaden that person's experience of the workplace. The Committee was surprised that having trained the apprentice, those companies did not seek to benefit directly in the immediate term by employing those skills within the organisation. This was contrary to what other industry representatives reported that it was almost impossible to hold on to newly qualified tradespersons a year or two later when they are attracted outside their trade or their company.

4.17 In so far as group training schemes are concerned, the Committee was told by various representatives that the availability of employer subsidies through CRAFT was a major contributor to the survival of group training. This was overwhelmingly the view of those involved in group training and has been expressed in a number of forums.

4.18 While the statistics suggest that employer training subsidies do not increase the employment opportunities for young people, they may still be required in some specific industries and small businesses.

### **Australian Traineeship System (ATS)**

4.19 The Australian Traineeship System was established in 1985 as part of the Government's youth policy strategy. The ATS is targeted at young people, particularly those aged 16-19 who receive on and off-the-job training usually over a period of 12 months which includes a minimum of 13 weeks off-the-job training. The Australian Traineeship System aims:

“To assist the long-term employment and enhance the career prospects of young people, and improve the national skills base through fundamental improvements in arrangements for non-trades employment training by the development of broadly based structured entry-level vocational training”<sup>9</sup>.

4.20 With an intake of 9 400 new trainees, actual expenditure in support of ATS in 1990-91 was \$39.775m against a budget estimate of \$44.9m. Provision has been made for an intake of 10 000 new trainees under the ATS in 1991-92 with a budget estimate of \$37.086 m<sup>10</sup>.

4.21 Most of the evidence and discussion of employer wages subsidies did not distinguish between CRAFT and ATS. It is therefore difficult to assess the impact of ATS on the employment of young people. It is apparent from evidence presented to the Committee, that traineeships are seen to be of a lesser status than apprenticeships.

4.22 Traineeships have been developed outside the traditional craft occupations. The retail industry is one example. Retailers are the largest single employers of youth in Australia with more than three times the number employed in any other sector.

4.23 The Retail Traders' Association advised the Committee that traineeships have been progressively introduced in all States. While one initial trial indicated that retail traineeships can be successful, the experience in general indicates that industry must be closely involved in the development of training programs. Criticisms included:

- . length of the training period;
- . 'poaching' of trainees by employers not involved in the program;
- . relevance of the off-the-job component; and
- . inflexibility of release times for off-the-job training and job rotation.

4.24 The Association also commented that various sectors of the retail industry have their own special requirements which cannot be adequately met by the current traineeships. The Association concluded that there are many benefits which can be gained from traineeships, but that they needed to be flexible enough to be linked to new award structures and integrated into the individual business's recruitment and training systems<sup>11</sup>.

4.25 A structured entry-level training system in non-craft occupations will succeed only if it takes account of the special conditions which apply to various industries and sectors within industries.



## Training wage proposal

4.26 Apprenticeship and youth wages are based on the age of the trainee and the amount of time in service rather than the competencies achieved. Commonwealth and State Ministers have "agreed to a policy where wage rates for young people should be based on competence, experience and time spent on-the-job. The formation of the guidelines took place with involvement of the ACTU, the Confederation of Australian Industry and the Business Council of Australia<sup>12</sup>. Ministers also agreed that there should be no hasty movement away from youth/age related wage rates unless these new principles are in place"<sup>13</sup>. The principles agreed to by Ministers are as follows:

### Principles and Guidelines for Handling Change to Youth and Training Wages in the Context of Award Restructuring

#### Preamble

Mindful of the extent to which the ongoing process of award restructuring will force a review of youth and training wage arrangements, Commonwealth and State Ministers of Labour have developed the following Principles and Guidelines for presentation to the Industrial Relations Commission, and through the Commission, to provide guidance to the industrial parties in the process of reform. The Governments' broad objectives of reform in this area are:

- (a) to bring equity and consistency to the treatment of young workers, whilst at the same time protecting their place in the labour market and providing the basis for greatly enhanced training and career opportunities including in those industries where entry level training and training wages are limited or non-existent, such as in building and construction; and
- (b) to ensure the development of a broad skills base for all at entry-level, which will contribute to a more highly skilled and adaptive workforce, and ultimately, to a more efficient and competitive Australia.

#### Principles and Guidelines

1. There should be no hasty movement away from youth/age related wage rates in those areas where they now apply, unless a suitable skills and experience based replacement is available and suitable provision can be made for unskilled young workers.
2. Governments will not increase funding to programs to enhance youth employment, such as traineeship and apprenticeship subsidies, to facilitate the removal of youth/age related wages.
3. Youth/age related wage rates should be examined as part of award restructuring negotiations on a case-by-case basis; these negotiations should involve a formal commitment to provide relevant workforce preparation/training and a corresponding basis for adjusting wage rates. They should conform with the current National Wage Case Principles, establish appropriate relativities within and between awards based on work performed and skills required, and take account of the likely effect on youth employment in the industry.

4. In regard to training wages and structured training arrangements, consideration should be given to:
  - (a) the need for employers and employees both to make a contribution to training costs consistent with the potential future benefits to both of the training, bearing in mind the level of contribution already made by Governments;
  - (b) time spent in structured training, whether on or off the job; and
  - (c) the removal of demarcation barriers to effective industry based entry-level training arrangements.
  
5. Change to individual awards should be based on a thorough review, recognising the fragility of the youth labour market. It should take into account the particular circumstances, where appropriate, of individual enterprises, and recognise the particular circumstances and peculiarities of the industry concerned. The review should aim to establish:
  - (a) an obligation on employers to provide appropriate training, whether on or off-the-job, for all new entrants to their workforce, including those currently treated as "juniors" and part-timers as well as apprentices and trainees;
  - (b) the provision of career paths, based on competency and skill levels acquired, progressing from point of joining the workforce to entry to the mainstream classification structure;
  - (c) a competency based classification structure through which new workforce to entrants advance to the relevant "mainstream" classification, including:
    - (i) for recruits entering contracts of training (such as apprentices and trainees, noting that in the long run this is the preferred option) the specification of stages of training, with points of entry and speed of advancement based on competency, and (where appropriate) years of schooling completed; and;
    - (ii) for recruits not entering into a contractual training arrangement (currently generally employed as juniors), training and work experience requirements appropriate to the job; with point of entry, and advancement through the substructure based on demonstrated skills and competencies, which could be assessed through such factors as year of schooling completed, and work related experience;
  - (d) procedures for competency assessment which take into account skills and experience acquired either on or off the job; and
  - (e) rates of pay for each training category, expressed as a percentage of the relevant mainstream classification and taking into account:
    - (i) work value/skill evaluation;
    - (ii) extent of training on or off the job;
    - (iii) relativities within and between awards;
    - (iv) the need to encourage and provide realistic reward for further education and training; and
    - (v) the need to treat young workers equitably while at the same time protecting their place in the labour market.

4.27 The Department of Employment, Education and Training argues that:

“Existing wage arrangements are a substantial barrier to reforming and extending entry-level training and will need to be addressed consistent with Commonwealth/State policy and the main features of a new structured entry-level training system”<sup>14</sup>.

4.28 The aim of introducing a training wage must be to develop arrangements which promote participation of young people in training and which at the same time encourage employers to train. This balance may be difficult to achieve. The introduction of a training wage will result in a reduction of financial support received by some young people in training and an increase in the rate available to others.

4.29 According to the Department of Employment, Education and Training, the level of traineeship wages should depend on the extent of off-the-job training and the level of competency according to a key of general competencies.

Trainees, regardless of age, need to be paid in accordance with their productive contribution. The proposed training allowance “will need to take into account:

- competency levels
- the extent of off-the-job training, including any additional training provided that is focused on key general competencies;
- the nature and quality of on-the-job training and the extent of its focus on training as against production; and
- the need to maintain sufficient opportunities for those that seek training”<sup>15</sup>.

4.30 There is evidence to suggest that rates of pay associated with some training arrangements, for example, the Australian Traineeship System, do not attract suitable people to training. The Email representative at the Workshop told the Committee that the greatest difficulty Email had in introducing the ATS was in disagreement about the amount of money to be paid<sup>16</sup>.

4.31 A survey of trainees in the retail trades found that the trainees were not satisfied with their pay, especially when compared with their colleagues on the shop floor not involved in the Australian Traineeship System. The Retail Traders' Association has reported that "in many cases the trainees opted out of the scheme and chose to enter retail via the normal system through absolute frustration with the ATS"<sup>17</sup>.

4.32 In evidence to the Committee, the Department of Industrial Relations argued that:

"There is no formal connection between apprenticeship rates and junior rates. There is however, a very substantial informal interaction, in so far as the difference between them influences young people's perceptions of the attractiveness of training, and their choice to undertake it"<sup>18</sup>.

4.33 The report of the Commonwealth/State Training Advisory Committee on the overseas experience of delivery of vocational education and training has reported that under the dual system as it operates in West Germany, "trainees are considered to be 'learners' rather than workers and are paid a training allowance rather than a wage. These allowances, broadly range from about 25 per cent of the skilled worker rate in the first year to about 45-50 per cent in the final year"<sup>19</sup>. Presumably there is a similar intent in Australia - to move towards a model whereby the trainee is considered to be just that, rather than a less than productive worker.

4.34 Inherent in the move towards a training wage is a presumption that this will lead to greater training opportunities for young people. It is difficult to test the validity of such a premise. Unfortunately, attempts to assess the impact of youth wage rates on the level of youth employment do not provide conclusive evidence. Work conducted by the Bureau of Labour Market Research suggests that while there was some reduction in youth/adult relativities between 1972 and 1974, that reduction was not dramatic nor was it fully sustained. No similar

reduction occurred between 1981 and 1983 when the rate of youth unemployment rose by 64 per cent<sup>20</sup>. Similarly, a 1984 OECD review of youth wage policies in Australia, explicitly recommended against any reduction in youth wage awards as a way of increasing youth employment because amongst other reasons, the size of the effect of wage differentials is ambiguous<sup>21</sup>.

4.35 One difficulty is that youth employment and training opportunities are not constant across industry sectors and are subject to fluctuations. Furthermore, the youth labour market is not static. External factors (including those which occur at an international level) also impact on the demand for labour generally and the availability of training opportunities. Another consideration is that economic features affecting a particular industry do not impact equally on individual employers and enterprises, with perhaps the most obvious being the different impact on small versus large employers, the latter perhaps having a greater capacity to absorb fluctuations.

4.36 The issue of a training wage was a discussion item at the Committee's workshop. One witness at a workshop held by the Committee commented that:

“the proposals for training allowances are very significant because they will now permit those industrial respondents to actually come together and negotiate, with government involvement, some new form perhaps evolving from the so-called junior rates of pay but leaning more towards a rate which is struck based on the amount of training taken off-the-job and also relating to those competencies gained during the training program”<sup>22</sup>.

4.37 One participant representing a major employer with innovative training programs argued that if the introduction of a training wage is likely to lead to a decrease in the level of remuneration received by apprentices for example, it could have a deleterious effect on the recruitment of suitable trainees. In his own words: “I do not know how we will go if we look at Austudy and pay them peanuts - maybe we will get a lot of monkeys”<sup>23</sup>.

4.38 Many participants believed that because there are too many unknowns in the proposal for the introduction of a training wage that it is too early to put forward a firm view on the concept. As the Principles and Guidelines agreed to by Ministers suggest, many of the actual arrangements are to be determined by the industrial parties and the Industrial Relations Commission. A Department of Employment, Education and Training official at the workshop indicated:

“We believe that the training wage issues can be resolved once you have sorted out the sort of training system you need for young people or indeed all new entrants into an industry”<sup>24</sup>.

4.39 On the evidence presented, it is not possible to determine the effect of changes to the levels of youth wages on the training opportunities of young people.

4.40 The Committee notes that while the guidelines relating to youth and training wages were endorsed by Ministers in November 1989, there is little evidence of progress in the introduction of a training wage despite two intervening years.

4.41 The guidelines state that in the development of a training wage the following should be considered:

- “(i) work value/skill evaluation;
- (ii) extent of training on or off-the-job;
- (iii) relativities within and between awards;
- (iv) the need to encourage and provide realistic reward for further education and training; and
- (v) the need to treat young workers equitably while at the same time protecting their place in the labour market”<sup>25</sup>.

The Committee fully endorses this approach.

4.42 It is the Committee's view that decisions on the introduction of a training wage will influence the nature and extent of employer subsidies.

## Recommendation 5

*The State and Territory and Commonwealth Ministers for vocational training and industrial relations expedite the introduction of a training wage.*

### Austudy

4.43 The report of the Training Costs Review Committee commented that the present arrangements for Austudy are based mainly on the concept of full-time students in schools and higher education. The report noted the on and off-the-job arrangements for the training sector and concluded that:

*“For those trainees whose wages are below the personal income limits of AUSTUDY, it may be reasonable to provide benefits which would be similar to those paid to university students who supplement their income with significant periods of employment”<sup>26</sup>*

4.44 Furthermore, the discussion paper on a new integrated entry-level training system states that:

*“The issue of access by trainees to AUSTUDY or similar arrangements should be examined as it potentially may provide a 'needs' based floor to trainee incomes, particularly where there is a high proportion of off-the-job training”<sup>27</sup>.*

4.45 The Employment and Skills Formation Council has been requested by the Minister to consult on the possibility of extending Austudy eligibility to people who combine part-time work with part-time study.

4.46 Austudy provides assistance to students in full-time study in school, TAFE and higher education. The 1991-1992 budget allocation is \$1 255 million. Recent changes to the eligibility criteria enable students in approved courses at private institutions to receive benefits. These changes are in line with the Committee's recommendations in its report on student financial assistance

schemes<sup>28</sup>. The eligibility conditions specifically exclude any person who is a party to a training agreement with a present or prospective employer.

4.47 The Committee found in its inquiry into student financial assistance that Austudy was a highly complex program which had never been properly evaluated to determine its effectiveness<sup>29</sup>.

4.48 It is the Committee's view that income levels of apprentices and trainees should be addressed in the context of the review of training wages rather than by the provision of Austudy allowances. Similarly income support for others in part-time work and part-time employment must be addressed through programs other than Austudy, such as labour market or family support programs. The Committee agrees however that means should be developed which will enable all to have an equal opportunity to access education and training.



## Chapter 4 - Endnotes

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- 11 Retail Traders' Association of Australia, Submission No. 67, Vol 3, p.65.
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- 17 Retail Traders' Association of Australia, op.cit., p. 70.
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- 24 Heaney, J., *Workshop Transcript*, 2 October 1991, p. 108 (proof).
- 25 Principles and Guidelines for Handling Change to Youth and Training Wages in the Context of Award Restructuring, November 1989.
- 26 Training Costs Review Committee, op.cit., p. 52.
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## CHAPTER 5

### CONVERGENCE OF GENERAL AND VOCATIONAL EDUCATION

#### Introduction

5.1 Very early into the inquiry, it became apparent that reform of the skills development system could not be considered separately from what occurs before entry into the training system, that is, at school. While the emphasis in this report and other reviews have been on the post-compulsory years, these two years cannot and should not be divorced from the compulsory years including junior high school and indeed primary school.

5.2 Career choices made following the completion of years 11 and 12 are very much influenced by what has preceded them, commencing at the very earliest stages of development. As one educationalist at the Committee's workshop put it:

“ ... if you actually want to do something about self-respect, ... you have to do something right at the beginning of schooling not right at the end ... It seems to me that funding has to be very heavily directed into extremely early recovery programs that do something about very basic skills, in particular, about reading skills ... literacy skills have to be tackled and they have to be tackled in such a way that there are equitable outcomes for children, I would say, by the end of grade 2, that is, by the end of the time that they are about seven or eight and starting to become self-conscious and conscious of whether or not they are at the bottom of the heap at that point. That is a very serious issue which I do not think Finn addresses and nobody has addressed but it is totally essentially to any discussion of 15- to 19-years-olds”<sup>1</sup>.

5.3 While the debate is concentrating on post-compulsory education and training, the early years of compulsory schooling are fundamental to the success of students in their post-compulsory years. The area of compulsory schooling is equally deserving of attention and reform.

5.4 TAFE courses have assumed a level of pre-acquired competence in the key areas such as literacy and numeracy. When this has proved mistaken, the response has been a remedial one on an individual basis. This approach has meant that TAFE has been unable to effectively and systematically address these problems. The AEC Review Committee report states that this must change and TAFE must provide opportunities for on going development in these areas<sup>2</sup>.

5.5 Many employers advised the Committee of the difficulties they faced in training young trainees and apprentices because of inadequate literacy and numeracy skills. While the Committee accepts that TAFE must address inadequate literacy and numeracy skills, it reiterates its belief that greater resources should be provided for remedial teaching in the early years of primary school<sup>3</sup>. Early intervention is far more cost effective and would enable TAFE to re-direct its resources to skill enhancement in other areas.

### **Preparation for a vocational career**

5.6 From the early stages of the inquiry, the Committee began discussions with witnesses and other participants about the appropriateness of the preparation of young people at school who do not proceed to higher education. In line with the inquiry's terms of reference, the Committee asked whether schools equip students to develop flexible, broad-based skills. It appears that governments have not fully realised the impact that increased retention rates are having on schools and accordingly have not made the necessary adjustments to the curricula, resourcing and teacher training.

5.7 As Australia's retention rates have grown over the past decade a new group of young people are continuing to year 12. Most of these are not tertiary bound, in fact, only one third will continue to university. Many of these young people would have traditionally sought an apprenticeship. They are, for various reasons, perhaps due to the unattractiveness of what TAFE has to offer, no longer doing so.

5.8 This new population of year 11 and 12 students has new interests, aspirations and expectations. Many people are questioning whether traditional subjects and curricula are relevant to these young people. From the evidence presented to the Committee it is clear that major changes are required in the interface between general education and vocational education. One witness argued:

“When we are talking of retention rates it is something in the order of 82 per cent. But it is only something like 34 per cent of that 82 per cent that will ever go on to an academic career within a university. We have to provide a mechanism somehow to be able to provide an outcome, an educational outcome and a training outcome, for those other students”<sup>4</sup>.

5.9 Another stated that:

“with an increased retention rate - an increasing number of people staying at school and completing 12 years of schooling - it is absolutely critical that for some of those students they are able to get access to a curriculum that gives them, in broad terms, access to vocational education training. It is also very important that it be recognised in the post-secondary school environment as well”<sup>5</sup>.

5.10 As one participant at the Committee's workshop asserted:

“We have a school system which is very good at building pathways, to use the current buzz word - links to higher education - but which does very little to build good linkages, good pathways, either to the labour market and employment or to TAFE”<sup>6</sup>.

5.11 The definition of general education used by players in the field including employers, has been significantly widened to include skills such as analytical ability, critical thinking, communication and negotiation skills, leadership and so forth. There is a growing recognition that abilities in these areas are just as important in the world of work as technical ability. One witness, representing BHP maintained:

“There is a series of requirements we would like to see from people who exit the school system and who are entrants to our workforce. They cover areas such as basic skills - there we are talking normally about literacy and numeracy - and other areas

such as interpersonal skills, communication skills and computer awareness. They are the sorts of skills we would like our work entrants to have as they exit the school system. We are quite happy to provide the amount of training needed for our particular requirements. We do not expect people to come out of the school system ready to go into industry, or trained specifically for industry; but we do expect them to have that range of general skills”<sup>7</sup>.

This statement is indicative of what many other industry representatives argued.

5.12 There was nevertheless a divergence of opinion amongst employers about what should constitute education. North Broken Hill Peko stated that the company would prefer a dual system of general and vocational education<sup>8</sup>.

5.13 Research undertaken in Australia on the views of employers found that employers have an expectation that students should be able to demonstrate a willingness to work hard and that they should be interested and motivated to undertake work that is required of them. Personal attributes are considered usually to be greater importance than other characteristics such as knowledge, skills and experience of work. Skills in problem-solving, decision-making and working co-operatively have been given major importance<sup>9</sup>.

5.14 This view of industry coincides with individual aspirations expressed by young people about their expectations of education and training. Numerous studies canvassing the views of young people on what they want from schooling have shown that young people want courses that are directly relevant to their post-school employment<sup>10</sup>.

5.15 A study conducted by Motive Market Research for the Review of Post-Compulsory Education and Training on the Perceptions of Youth of the Education System found that:

“Many young people view what they do at school purely in terms of what they perceive to be its value in assisting them to get into a chosen course or line of work in terms of its relevance to the skills they see they need on leaving school”<sup>11</sup>.

5.16 Furthermore the research found that students frequently expressed feelings that many of the subjects they were studying were irrelevant to their present or to their future. They continually stated a need to rationalise their reason for studying a particular subject, to find a context for the subject in their lives. When this was understood they were more receptive to learning the subject, whatever it was. Most often the 'context' was related to acquiring qualifications or to improving ability to function in life and in the workplace, whether as a professional, tradesperson or labourer. Very few mentioned interest in a subject for the subject's sake, that is, based on an inherent desire to learn<sup>12</sup>.

5.17 The Committee's earlier report entitled *The Restless Years* came to a similar conclusion when it stated:

"The priority that many students now place on Years 11 and 12 is clear - they want the senior secondary years to help them get a job. The view was frequently put to the Committee in its discussions with students and accords with the results of a recent survey of students which found that students felt it was important that the subjects available in Years 11 and 12 ought to be more relevant, interesting and work-related"<sup>13</sup>.

5.18 The need for this greater linkage of vocational and general education was recognised by the Australian Education Council in its report *What Works: Improving School/TAFE Links*. The preface of the report states that "the report is concerned with practices that promote school/TAFE co-operation. It is a collection of case studies exemplifying strategies which have achieved a measure of success in advancing those links"<sup>14</sup>. In releasing the report in 1990, the then Chairman of the Australian Education Council and Commonwealth Minister for Employment, Education and Training, stated that:

"The report breaks new ground in that it provides a highly practical guide to successful strategies in strengthening the links between school and technical education sectors, both at a formal and informal level. It illustrates, by way of case studies, the diversity of approaches used by communities across the country to enhance school/TAFE links and widen the educational and vocational opportunities available to young people"<sup>15</sup>.

5.19 In fact, this report was the precursor to the Australian Education Council's review of Young People's Participation in Post-compulsory Education and Training. The review resulted from the recognition of the growing participation of young people in various forms of education and training and the implications of this phenomenon:

“This major growth in participation has raised important issues about the appropriate form and focus of education and training provision at the post-compulsory level, and the organisational and delivery arrangements which will best meet the needs of the 15-19 age group. Major reviews have been conducted in every State and Territory, leading to important changes in curriculum, certification arrangements and relationships between the sectors”<sup>16</sup>.

### **Delivery of post-compulsory education and training**

5.20 The Committee visited a number of schools/colleges during the inquiry which are providing a more diverse curricula for their students with close links with vocational courses. The Committee visited:

- . Claremont Education Park, Tasmania;
- . Redland Community College, Queensland;
- . Hervey Bay, Queensland;
- . Oxley Secondary College, Queensland;
- . Lake Tuggeranong College, Australian Capital Territory; and
- . Erindale College, Australian Capital Territory.

5.21 All of these institutions provided interesting, varied and innovative programs which appeared to satisfy a broader range of interests than a program which focussed on a small proportion of young people hoping or intending to continue in higher education. The Committee is convinced that this should be the aim of all educational institutions. The way in which this goal will be implemented will vary considerably from one institution to another depending in many instances on the community it serves. The Committee witnessed this in its visits to the various schools and colleges.



5.22 The Oxley model is essentially based on a traditional high school built in the 1950's, but where the range and type of programs being offered at the school cannot be considered conventional. Forty-two per cent of the school population are from Non-English Speaking Background. Oxley Secondary College provides:

**Years 8 to 12 (internally assessed)**

The provision of education for this group is divided into junior and senior schools with different procedures applying to the two, for example, operating hours. The senior school operates until 6.00 pm, students are only required to attend when they have classes and not required to wear uniforms. Dress standards and a code of values nevertheless do apply.

Subject offerings for the senior school are diverse and some are TAFE accredited, including offerings in commercial studies, construction and engineering and catering and hospitality.

**Adult matriculation (externally assessed)**

The students involved in this program have re-entered education to obtain their matriculation. The externally assessed senior subjects are offered from 9.00 am until 9.30 pm. Students generally undertake between one and three subjects at any one time.

**Post-compulsory Junior Program**

This program is essentially a rescue package for young people who have dropped-out of the school system. The students undertake one subject at a time and attend five days a week for 10 weeks between 3.00 pm and 6.00 pm. Students are awarded a certificate from the Board of Senior Secondary School Studies. A student can, after 30 weeks, obtain Board of Senior Secondary School Studies in three year 10 subjects through this program. Courses are offered in English, Mathematics and Science but consideration has been given to extending the range of courses to include a Social Science subject, word processing/typing with TAFE accreditation and possibly one further subject<sup>17</sup>.

**Migrant education program**

This program has a number of components. The high school clusters integrate newly arrived migrant teenagers into the high school program following their achievement of basic English. The adult program accommodates adults who

may be part way through completing a tertiary course but require further concentration on English in particular subject areas.

**Pregnant Girls**

A program for pregnant girls is offered one morning each week over a six month period. The course content varies from course to course depending on the requirements of the students.

**Adult Literacy**

Training is provided under this program for people to become adult literacy tutors.

5.23 The introduction of this broader range of programs occurred in 1990. In 1989, the school's population was 520 and declining. The 1991 enrolments in the various programs stood at 800 high school students, 1 500 adult matriculation students, 45 students in the Post Compulsory Junior Program, 100 migrant cluster students (40 high school, 60 adult), 12 pregnant teenage girls, and 2 adult literacy students<sup>18</sup>.

5.24 By introducing a wide range of programs and courses to meet the specific needs of the local community, the school has changed rather dramatically from one operating in a conventional manner and experiencing declining numbers to a viable and growing resource within the community. In doing so, the options available to many people have been extended and a population of disadvantaged people who had been missing out on education and training opportunities have been 're-admitted' into an appropriate environment.

5.25 Physically, Oxley Secondary College contrasts rather dramatically with Hervey Bay College which was a purpose-built senior college, one of three established in Queensland. In 1986, Hervey Bay College was opened as the first senior college in Queensland. It attempts to offer as wide a range of programs of

study as possible to students in their post-compulsory years of education and training. It provides:

**Senior Certificate**

Thirty subjects that contribute to a Senior Certificate are provided, as well as programs of study eg. Business Studies, Engineering (including electrical and automotive), Construction, Creative and Performing Arts, Hairdressing and Beauty Therapy and Hospitality. Students are able to maximise their career options by integrating subject offerings from both secondary and TAFE areas.

**Access courses**

Access courses have been introduced firstly to provide a vehicle for eventual entry into full-time courses for people who do not currently possess the basic skills and knowledge for success. Secondly, they provide a 'safety net' whereby dedicated students who need to do more ground work before proceeding can be assisted to overcome the basis of any difficulties.

**Adult Education Program**

Twenty courses are offered at any one time varying across the four school terms. Around 800 enrolments are taken each year under this program. Courses are also available for Hervey Bay residents in literacy and numeracy.

**University subjects**

The Hervey Bay complex includes an extension campus of the University College of Southern Queensland. The first year of degree courses in six disciplines are offered - Engineering, Applied Science, Arts, Business, Diploma of Teaching and Information Processing<sup>19</sup>.

5.26 The College maintains close community links with employer and community representatives on 17 Subject Action Committees. The Committees act as advisory bodies to the College on a range of subject matters and have an input into the structure and content of courses<sup>20</sup>.

5.27 The mix of courses and sectors available on the campus provide a blend of vocational and general subjects where students can choose to either specialise or maximise their options by choosing a mix of courses. The availability of first year

university subjects means that students are able to remain at home for an extra year before having to pursue expensive studies outside the area.

5.28 The results in terms of students ability to continue studies or gain employment are impressive. Of the 1989 year 12 graduates, 72 per cent gained entry into a university course - approximately 8 per cent above the State average. Of the secondary students who did not make university, 94 per cent had jobs by the end of the following March. After their two year course 95 per cent of all pre-vocational students obtained employment at the end of 1989. In two areas available at the College - hairdressing and hospitality - the figure was 100 per cent<sup>21</sup>.

5.29 Another model involves school students attending TAFE courses with courses being taught by TAFE teachers generally using TAFE facilities. NSW has pioneered a system-wide approach to such provision through the NSW Joint Secondary Schools TAFE Program<sup>22</sup>. This model offers some advantages because expensive facilities do not have to be duplicated, students experience a more adult learning environment and are provided with a greater degree of choice. The major limitations to increased participation as perceived by the AEC Review Committee "are the cost to the schooling sector and the capacity of TAFE colleges to cater for further demand"<sup>23</sup>.

5.30 In addition to these models other alternative delivery mechanisms are available. These include multi-campus facilities incorporating senior colleges, resource sharing arrangements whereby industry, local schools and TAFE can take advantage of facilities and resources provided with joint administration and joint funding and the development of dual credit subjects<sup>24</sup>.

5.31 The AEC Review Committee recommends that each State and Territory:

"Define clearly the respective responsibilities of schools and TAFE in the provision of education and training for young people in the immediate post-compulsory period.  
Define the inter-relationships expected of schools and TAFE in implementing those responsibilities"<sup>25</sup>.

5.32 The Committee is acutely aware that one model cannot be imposed on all schools and on all communities. The senior secondary college model as it is operating at Hervey Bay has a number of attractions. The co-location of facilities provides greater choice and flexibility for students. Hervey Bay College is controlled by one agency – the Bureau of Employment, Vocational and Further Education and Training. The AEC Review Committee notes that the single funding and administrative arrangement of Hervey Bay has given the facility greater autonomy and encouraged initiatives such as hybrid courses and cross accreditation to proceed. The Review also notes it is a relatively expensive post-compulsory education and training provider<sup>26</sup>. It is clear from the experience at Oxley that infrastructure does not have to be purpose-built for the facility to be effective. No doubt other similar experiences illustrate the same point.

5.33 In so far as this Committee is concerned the most important issue is the programs that are being provided. It is crucial that a broader range of subjects with relevance to the entire population of 15 to 19 years olds engaging in education and training be provided. Further, that credit be transferable so that the benefits in undertaking courses are fully realised.

5.34 The Committee in its discussions and visits around the country noted that there is considerable scope for greater partnerships between the school and TAFE sectors as well as industry and private providers. Sharing arrangements suggest that there is great potential for cost savings and efficiencies and are more likely to meet the needs of local communities. As the needs across the country vary, for example rural, provincial and urban, one model will not be suitable everywhere but hybrid models which take into account local needs will be the most effective.

5.35 The Committee notes the expressed preference of young people that their learning and training be conducted in a more adult-like environment. In the market research conducted on behalf of the Australian Education Council Review Committee, young people expressed a preference for senior college environment where relationships were described as 'more interactive' and 'less disciplinarian'.

Further the market researchers reported:

“TAFE colleges, trade schools and alternative institutions such as the School of Mines in Ballarat, were identified as having a teaching style that students were more receptive to. These teachers treated their students in a very adult manner, allowing far more personal control. Students who had rebelled, at school, often functioned much better in this less authoritative environment”<sup>27</sup>.

5.36 The report itself goes on to say that some young people “were keen on flexible options such as combining study with employment of some kind. They would like their courses to be 'relevant', and in particular, help to get them jobs. Teenagers also put greater emphasis on self-directed learning and expressed a preference for flexible attendance patterns”<sup>28</sup>.

5.37 In keeping with these and other findings about the preferences of young people, the Committee believes that structures developed to enhance delivery arrangements of education and training to 15 to 19 year olds should take these considerations into account. In doing so, the response of young people is likely to be more positive and therefore more likely to be successful.

5.38 It is common wisdom that the most appropriate arrangement for the delivery of post-compulsory education and training is a separate institution established specifically for senior students. While this may be the ideal it is by no means the only arrangement for meeting the needs of young people who continue in education and training past year 10.

5.39 The Australian Education Council Review Committee identified the various models which could be adopted to deliver post-compulsory education and made no recommendation concerning which should be adopted. The Committee's own inspections and discussions have shown that any number of institutional arrangements can be successful. It is totally unsatisfactory however that many of these innovations are entirely dependent on the initiatives of individual principals and staff rather than a reflection of clearly stated policy objectives on a system-wide basis.

5.40 The Committee concluded in its report *The Restless Years* on year 12 retention rates that there is considerable merit in the concept of senior secondary colleges<sup>29</sup>. The Committee received little evidence during the conduct of this inquiry to suggest that those conclusions should be changed. However competing demands on limited resources makes it unlikely that senior colleges could be established within a time-frame required to respond to the rapidly increasing retention rates except perhaps on greenfields sites and these should be encouraged.

#### **Recommendation 6**

The Minister for Employment, Education and Training together with the Australian Education Council (AEC) and the Ministers of Vocational Education, Employment and Training (MOVEET) develop a policy framework which:

- . recognises the links between general and vocational education;
- . enables schools and TAFE to respond to local needs in an innovative, flexible and autonomous manner; and
- . provides the necessary encouragement for State and Territory education systems to recognise the different physical and teaching environments required by young adults. This should result in the eventual establishment of senior secondary colleges.

#### **Targets**

5.41 In 1986, the then Commonwealth Minister for Education, "called for a national target of 65 per cent of students completing year 12 by the beginning of the 1990's"<sup>30</sup>. In calling for this target, the Minister stated:

"our participation rates remain drastically low when compared with that of the countries with which we most often like to compare ourselves. Australia's Year 12 participation rate of 51 per cent, when TAFE students are added, compares with 94 per cent for Japan, 86 per cent for the USA and 95 per cent in Sweden. Low participation rates mean that too many of our children lack the knowledge, experience and skills they will need to be part of a dynamic future. Low participation rates hobble our economy, constrict our opportunities and reduce our potential"<sup>31</sup>.

5.42 The national retention targets have been achieved and in many systems exceeded. It is unclear what influence economic conditions, workplace requirements, financial assistance and student/parent expectations have had on this outcome.

5.43 The statutory school age for children in each State has not changed significantly since last century. In 1872, the colony of Victoria sought to make education compulsory for every child between the ages of 6 and 14. Similar legislation followed in the other colonies soon after (Queensland, 1875; South Australia, 1878; New South Wales, 1880 and Tasmania and Western Australia, 1893)<sup>32</sup>. Today, school attendance is compulsory up to the age of 15 or 16 throughout Australia.

5.44 Current legislation requires young people to attend school until their 15th birthday in all States and Territories other than Tasmania where the age requirement is 16 and Western Australia where they must attend to the end of the year in which they turn 15<sup>33</sup>.

5.45 The Committee agrees with the conclusion of the Australian Education Council Review Committee that State and Territory Governments should introduce a uniform compulsory requirement to attend school until the end of year 10. Under present legislation a very small proportion of students leave school at the age of 15 before obtaining the year 10 certificate. This group is very seriously at risk in the labour market.

**Recommendation 7**

The Minister for Employment, Education and Training request the State and Territory Ministers for Education to introduce a uniform compulsory requirement to attend school until the end of year 10.



5.46 The relevance of the requirement to attend school only until the age of 15 or 16 must be questioned in today's modern and complex society. While not necessarily imposing a new statutory requirement that goes beyond that age, the technological demands of almost all workplaces require a re-consideration of what is appropriate in the 21st century for young people entering the work force.

5.47 Changes in the structure and size of the youth labour market, particularly those that are evident after a recession, make it important that participation rates do rise. One workshop participant indicated that:

“In the twelve months to August of this year, something like 28 per cent of all full-time jobs that existed 12 months previously for young people disappeared and over half of all full-time jobs that have been lost in the Australian labour market in the current recession have been lost by young people”<sup>34</sup>.

5.48 The decline in the size of the youth labour market has been occurring for many years. The percentage of young people in full-time employment as a preparation of the total 15-19 year old population has fallen from 58 per cent in August 1966 to 28 per cent in August 1990<sup>35</sup>. This diminution of the youth labour market reflects both structural changes in the labour market, as well as the rises in the participation rates in education. The decrease has been more significant for females than males.

5.49 The Australian Education Council Review Committee reports that this trend of a diminishing youth labour market is likely to continue but will affect males and females differently:

“... teenage male full-time employment is concentrated in industry and occupation areas experiencing long-term structural decline in total employment share ... Female teenage full-time employment is

concentrated in industries and occupations undergoing long-term growth, although their share of full-time employment is declining in these industries”<sup>36</sup>.

5.50 Information provided at the Committee's workshop shows that “80 per cent of young people aged 15 to 24 support the concept of staying on for the 12 years in school ... [and] an additional 13 per cent support the concept of 12 years in education or training, taking it up to 93 per cent. Within that, the principal reasons cited by both young people and their parents for that support, 57 per cent better job prospects or related areas. The next highest figure, 24 per cent for better educated generally”<sup>37</sup>.

5.51 The report of the Australian Education Council Review Committee recommends:

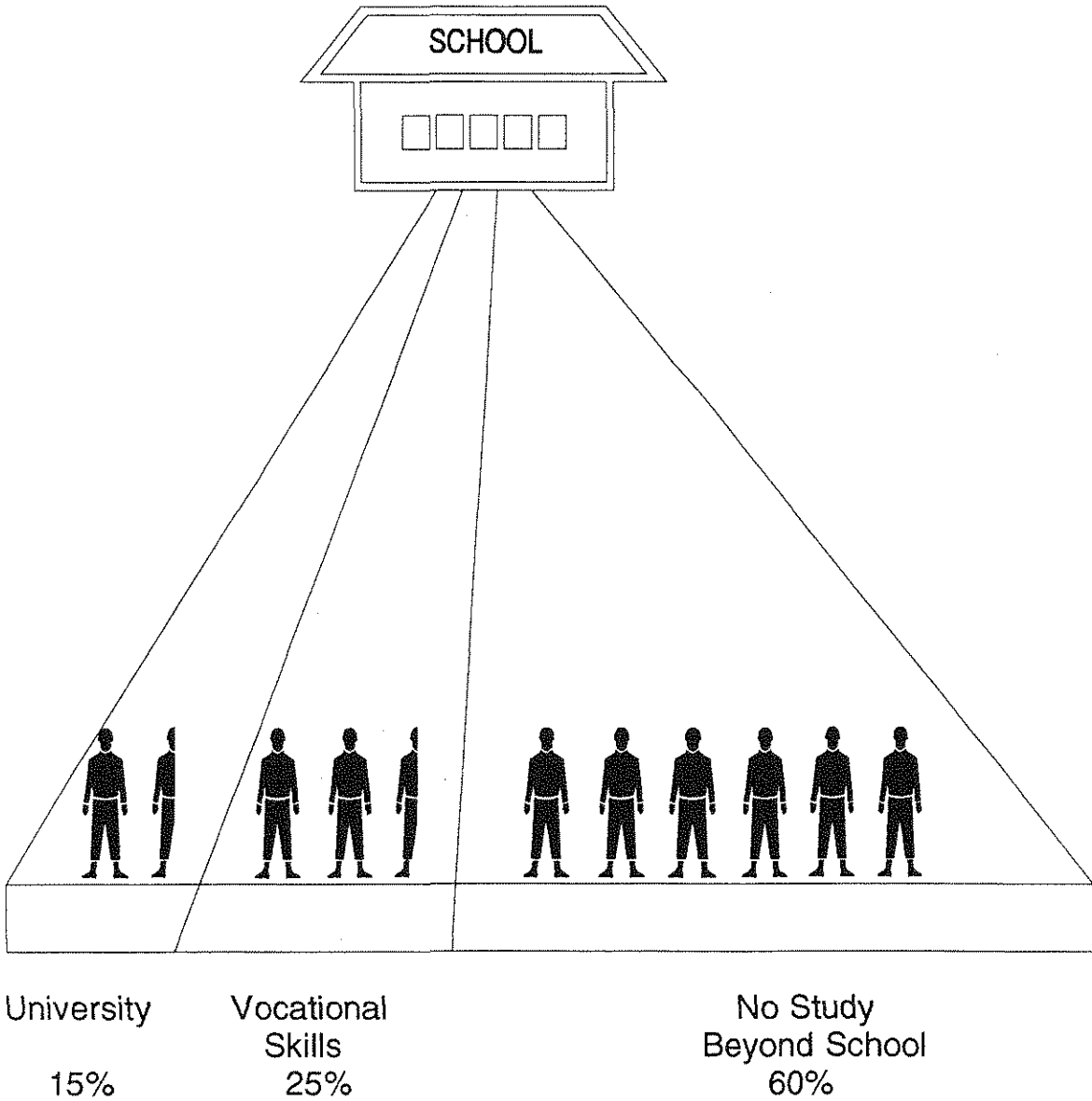
“The adoption of a new national completion/participation target that, by the year 2001, 95 per cent of 19-year-olds should have completed Year 12, or an initial post-school qualification or be participating in formally recognised education or training”<sup>38</sup>.

5.52 Furthermore the report recommends that:

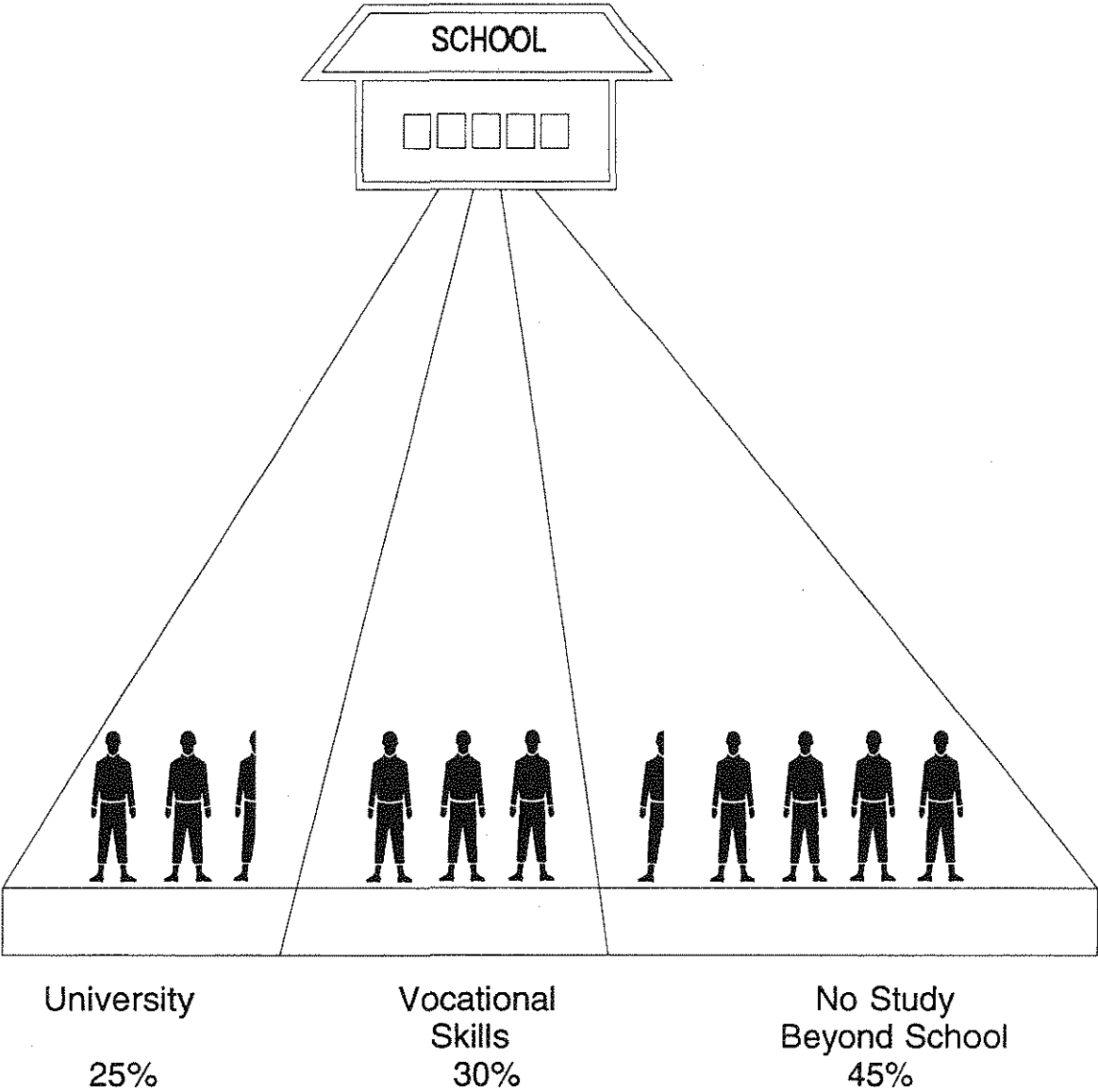
“The State and Territory education and training authorities formulate targets that give appropriate expression to the proposed national target, taking into account distinctive agency organisational features and regional needs and responsibilities”<sup>39</sup>.

5.53 The shift in young people's participation in education and training since 1983 is shown in the following figures. The final figure shows the impact of the targets proposed by the Australian Education Review Committee.

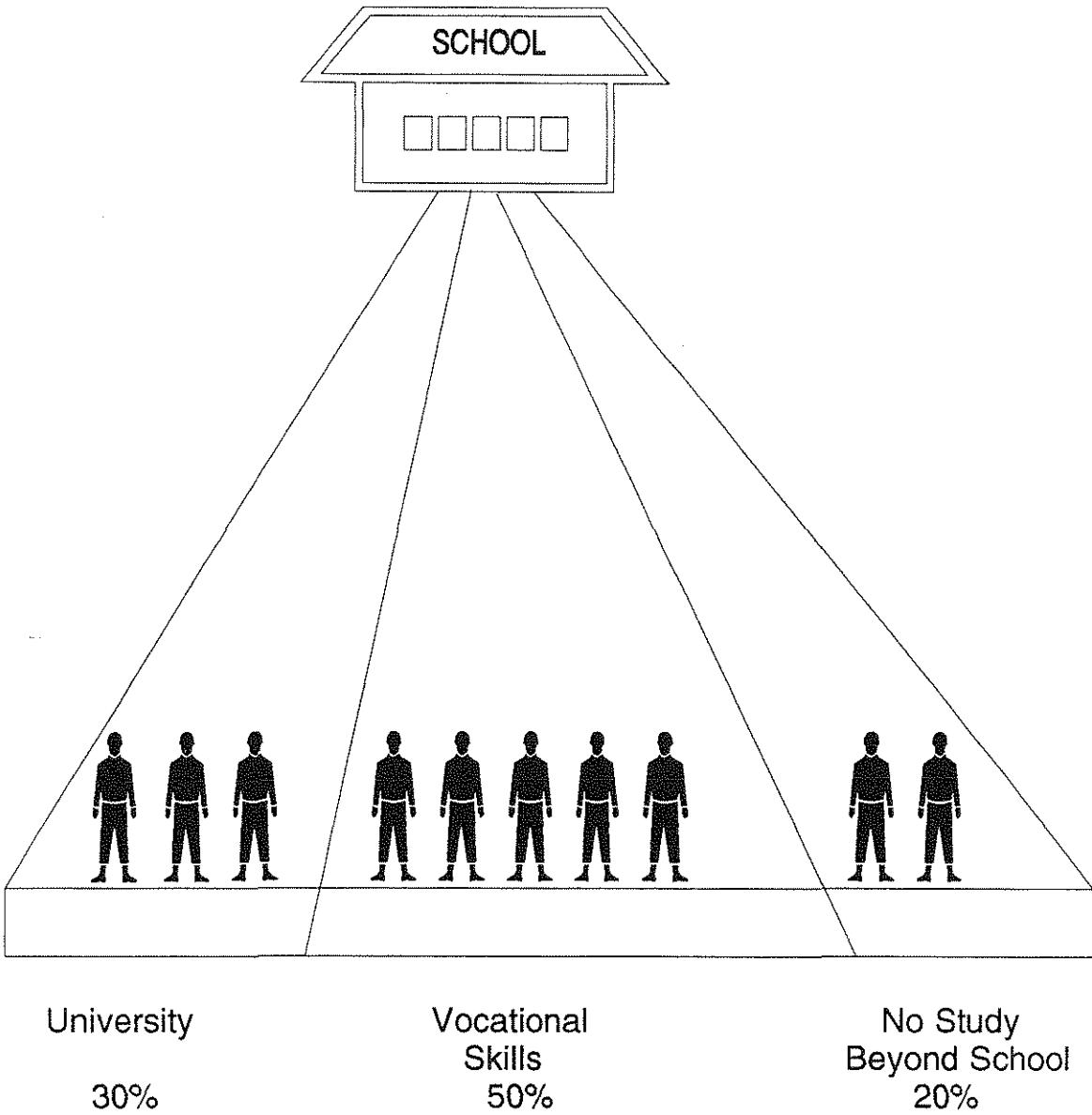
Figure 5.1  
Education and Training Pathways  
of Young People - 1983



Education and Training Pathways  
of Young People - 1991



Education and Training Pathways  
of Young People - 2001



Source: Department of Employment, Education and Training, 1991.

5.54 The Review Committee argues that "it is clear societal expectations and the demands for a more highly skilled workforce now point to a minimum desirable duration of education or training which is more like twelve or thirteen years rather than ten"<sup>40</sup>.

5.55 In order to realise these targets, the Australian Education Council Review Committee recommends the introduction of a Education and Training Guarantee "whereby all young people would be guaranteed a place in school or TAFE after Year 10 for two years of full-time education or training or its equivalent part-time for up to three years". According to the Review, the Guarantee should apply for all those who are under the age of 20 at the first of January in each year<sup>41</sup>.

5.56 This concept is very much in keeping with this Committee's first recommendation in its report *The Restless Years* tabled in October 1989, which called for Commonwealth and State Governments to:

"adopt the principle of a Youth Guarantee in which every young person of senior secondary age be guaranteed the opportunity of participation in secondary education, an apprenticeship, traineeship, other education or training activity or employment"<sup>42</sup>.

5.57 In calling for the establishment of targets, the AEC Review Committee Report argues that targets can provide:

“ . a focus for policy development and for strengthening public understanding of and support for policy change;  
 . a framework for the initiation and assessment of co-operative action between sectors and States and Territories; and  
 . most importantly, a basis for strategic planning in education ”<sup>43</sup>.

5.58 The report warns however that targets must be applied judiciously:

“An overly simplistic use of targets could disguise what are in fact complex and sometimes competing policy objectives. The principal test of an effective target is its ability to act as a planning instrument, not just its application as a measurement”<sup>44</sup>.

5.59 It would seem that should a national target be established there be some agreement on what the ultimate objective is. This then will set out how the target should be expressed. This would seem particularly crucial as two other targets have been proposed and consultations in various forums are being held on all three propositions.

5.60 The Employment and Skills Formation Council (of NBEET) in its paper *TAFE in the 1990's* suggests that:

“A national target should be set of 50 per cent of the workforce having a vocational qualification below degree level by the year 2000”<sup>45</sup>.

5.61 The paper prepared by the Department of Employment, Education and Training *A New Structured Entry-Level Training System for Australia*, proposes as national targets for the integrated entry-level training system that by 1994:

“... almost all eligible young people gain at least Level 2 competencies”, and by 2000, “at least the majority of young people achieve Level 3 competencies”<sup>46</sup>.

5.62 It is the view of the Committee that the new national target as recommended by the Australian Education Council Review Committee (paragraphs 5.51 and 5.52 above) can readily be understood by the community and therefore offers certain advantages. The Committee fully endorses that target.

5.63 Furthermore, the Committee supports the staged implementation of the target which would see:

“ . as a minimum, at least a Level 1 traineeship or participation in Year 12 for all 18-year-olds by 1995;  
 . at least a Level 2 traineeship or progress toward a higher level vocational or academic qualification for almost all 20-year-olds by 2001;  
 . at least a vocational certificate (Level 3) or progress toward a vocational qualification above Level 3 or a diploma or degree for at least 50 percent of 22 year olds by 2001”<sup>47</sup>.

5.64 The Committee took the opportunity of canvassing the views of participants on the issue of targets at its workshop held in October. Most participants were supportive of the proposition of setting targets. The main reason for doing so, many agreed was that the establishment of targets are useful in providing a planning tool and strategic direction for policy makers. One participant summed up the view of many in her statement:

“I think it is very useful to set targets for post-compulsory participation and I particularly think it is important the way Finn has done it, because it focuses our attention much more on the vocational training system and draws our attention to TAFE and its private equivalents in a way that national attention and discussion has not been focused in recent years”<sup>48</sup>.

5.65 While there was general support for the establishment of targets and in particular those put forward in the report of the Australian Education Council Review Committee, one major concern about the targets was raised by several delegates at the Committee's workshop. This related to the homogenous nature of the targets and its application to a non-homogenous population. From an equity point of view, targets should be disaggregated. This is vital to ensure that current inequities are not perpetuated in respect of women, aboriginals, the disabled and the 35 per cent of young people who leave at the compulsory school age and receive no further education and training.

5.66 Some people have suggested that the targets proposed by the Australian Education Council Review Committee are overly ambitious. However information on the establishment of targets in the United Kingdom and the United States suggest that the targets proposed for Australia will mean that if these targets are achieved, Australia will not be gaining a competitive edge but merely maintaining a parity with other Western countries<sup>49</sup>.

### **Pathways/Articulation**

5.67 A further concern which must be attended to in the reform of entry-level training in Australia, is the way in which credit is carried between and across



sectors for courses at any stage of education and training and the way in which credit is given for the recognition of prior learning and experience. The existing curricula and delivery arrangements in schools were designed for a smaller years 11 and 12 population who were aimed for university entrance. With the dramatic increase in size and changes in composition of that population, it is necessary to re-consider the level of recognition given to other equally legitimate career choices. Action to remedy deficiencies in these areas has commenced at State and Territory level.

5.68 Another aspect to the issue of credit transfer and pathways is that learning and training are life-long processes which do not cease when a person finishes school, an apprenticeship or a university degree. Acceptance of the concept of life-long learning is by no means universal in this country. Yet as award and industry re-structuring has shown the importance of retraining and upskilling, the need to re-think attitudes to training is becoming more and more apparent.

5.69 Throughout the inquiry, the Committee canvassed the need for the development of education and career pathways, credit transfer and articulation across sectors. The lack of these provisions in Australia's current training system is impeding training opportunities, disadvantages certain individuals and should not continue. One participant at the Committee's workshop put forward a view that was supported by many witnesses and participants:

“ ... there needs to be a clear accrediting of parts of those courses so that those accredited blocks can be taken from one course to another, so that people do not have to repeat units that they have already done, so that they can transfer that credit ... I see a lot of people transferring interstate and losing credit for things that they have already done. It is really criminal for that to happen. People need to be able to maintain what they already have. They cannot afford to lose that”<sup>50</sup>.

5.70 The deficiencies in the current arrangements are well recognised. The Australian Education Council Review Committee asserted in its report that the issue of whether the existing array of pathways is adequate to meet the requirements of the community is perhaps the most fundamental question for the review<sup>51</sup>.

5.71 The Review Committee argued that:

“The gap in provision ... is the shortage of further education opportunities for the two thirds of school leavers who do not enter higher education. The existing system of entry-level training only provides opportunities for somewhat less than half of this group. Of these, by far the largest group is made up of apprentices who are almost all male and are concentrated in a limited range of occupations and industries. It is clear that the existing arrangements for entry-level training do not provide sufficient opportunities for young Australians”<sup>52</sup>.

5.72 A number of States have released policies on the provision of pathways and some are piloting projects in particular subject areas. For example, in Western Australia, eight pathways will be trialled next year in areas such as primary industries, business systems, hospitality and tourism and a number of others. The aim is to link curricula in Western Australian schools to the TAFE sector, particularly with advanced certificates or associate diplomas<sup>53</sup>. Victoria is implementing appropriate mechanisms for credit transfer from the post-compulsory years through the Victorian Certificate of Education and various forms of training in the fields of engineering, electronics and electrical through credit received from technological studies at school<sup>54</sup>.

5.73 In relation to the interface between school and TAFE training, the Australian Education Council Review Committee recommends that:

“States and Territories review their policies and practices at the school/TAFE interface with a view to maximising credit transfer and articulation between the sectors. Policy and practice should involve:

- the establishment of formal advanced standing arrangements and the encouragement of local initiatives;
- the removal of unnecessary impediments to cooperation;
- the extension of local agreements across sectors;
- the two-way recognition so that schools students are granted credit in TAFE for appropriate subjects completed as part of the senior school certificate and students returning to senior secondary studies are granted credit if they have undertaken an appropriate TAFE course;

- the recognition of advanced standing on a provisional basis where the degree of prior learning is not clear, subject to subsequent achievement of the required outcomes;
- the cooperative development and dissemination of information about school/TAFE pathways and credit transfer arrangements to students before the end of their compulsory education, and also to parents, career advisers and school and TAFE teachers; and
- means of reporting progress at the national level"<sup>55</sup>.

5.74 In relation to pathways between and within TAFE and higher education, the Review Committee recommends that:

“The Commonwealth Government should:

- in conjunction with TAFE systems and higher education institutions continue to support the piloting of the Credit Transfer Authority with a view to the early establishment of a national agency;
- offer significant seeding funds if significant progress has occurred within a specified time-frame - say 1 January, 1992;
- consider setting minimum targets for the level of credit transfers at institutional or State level"<sup>56</sup>.

5.75 Matters related to credit transfer and articulation are essentially a State matter. The process of reforming current arrangements is therefore unwieldy given that each State must review its own arrangements and courses available at each level. The process of reform is consequently expensive and time-consuming. Until a national approach to credit transfer and articulation is achieved, Australia will be hamstrung by its reliance on the current system.

5.76 The Committee is aware of the work being conducted by the Vocational Education, Employment and Training Advisory Committee (VEETAC) Working Party on Recognition of Training which proposes nationally agreed principles and processes for recognition. The framework proposed for the recognition of training by the Working Party on Recognition of Training consists of nationally agreed

principles and processes for recognition. "The framework:

- . allows for State and Territory authorities to continue to exercise their statutory functions within a framework of nationally agreed principles covered by a Memorandum of Understanding;
- . ensures the outcomes of training for industry, i.e. accredited courses will be based on competency standards expected in employment;
- . links training provided in the public and private sectors, thereby maximising access to and participation in accredited training;
- . improves the cost-effectiveness of training by enabling courses to be accredited and training providers to be registered only once; and
- . eliminates duplication of training effort by recognising the competencies held by individuals regardless of where or how they were attained"<sup>57</sup>.

5.77 The Deveson report into *Training Costs of Award Restructuring* recognised the need for a national approach to accreditation. It argued "there is a strong case for national accreditation arrangements to help defray likely increased costs. There are also other advantages in national accreditation. For example, many companies which operate nation-wide require a system which recognises qualifications on a national basis"<sup>58</sup>. There is no doubt that existence of eight separate accreditation authorities has seriously impeded the progress with the implementation of award restructuring. The Committee strongly endorses the decision to adopt a national frame-work which should see the elimination of the current discrepancies which abound in the system.

#### **Recommendation 8**

The Minister for Employment, Education and Training together with the Australian Education Council and the Ministers for Vocational Education, Employment and Training agree to a national framework for the recognition of training and credit transfer and articulation between sectors.

5.78 While special arrangements are made for the implementation of trial projects which include credit for vocational subjects at school, the Committee heard various accounts of frustration some individuals and institutions are encountering in attempting to ensure credit transfer arrangements are in place.

5.79 In November of this year, the Committee visited two ACT colleges and was informed of difficulties they faced gaining TAFE recognition for some courses they wish to include in their programs. Further, the Committee was informed that individual TAFE staff were flexible in allowing advanced standing for some students based on their personal knowledge of the college and the curriculum used there. However, this occurred on ad-hoc basis with students being very unclear of their positions.

5.80 These most recent experiences and other evidence received by the Committee confirms the Committee's belief that despite all the rhetoric there is a long way to go before these accreditation issues are fully realised. It is alarming that traditional views are still held by various sectors and there is such opposition to change. By resisting the reforms, those holding such views are doing a disservice to the majority of young people who have indicated they expect more from the education and training system.

5.81 If Australia is to develop an internationally competitive workforce with flexible and broad-based skills, then it is vital to not only develop a sound base for entry-level training, but one which also allows for the continual development of skills. As one witness argued, "the system has to be flexible enough so that people can go on to develop rather than, as in the past, doing an apprenticeship, and being a tradesperson for the rest of your life"<sup>59</sup>.

## Chapter 5 - Endnotes

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- 13 House of Representatives Standing Committee on Employment, Education and Training, *The Restless Years: An Inquiry into Year 12 Retention Rates*, AGPS, October 1989, p. 73.
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- 31 *ibid.*
- 32 Carver, S. R., *Official Year Book of the Commonwealth of Australia*, No. 40 - 1954, Commonwealth Government Printer.
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- 35 Australian Education Council Review Committee, op.cit., p. 28.

- 36 *ibid.*, p. 28.
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- 38 Australian Education Council Review Committee, *op.cit.*, p. 48.
- 39 *ibid.*, p. 48.
- 40 *ibid.*, p. 89.
- 41 *ibid.*, p. 92.
- 42 House of Representatives Standing Committee on Employment, Education and Training, October 1989, *op.cit.*, p. 14.
- 43 Australian Education Council Review Committee, *op.cit.*, p. 35.
- 44 *ibid.*, p. 35.
- 45 Employment and Skills Formation Council, *TAFE in the 1990's: Developing Australia's Skills*, AGPS, 1991, p. 29.
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- 48 Pocock, B., *Workshop Transcript*, 2 October 1991, p. 79 (proof).
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## CHAPTER 6

### THE TRAINING MARKET

#### Introduction

6.1 It should disturb all Australians that the number of people in initial vocational preparation is small by international standards. Yet despite this lack of a training ethos, Australia is served by a wide range of training providers. The training market in Australia includes:

- . the higher education institutions;
- . TAFE;
- . commercial private providers, such as business colleges;
- . employers (including structured on-the-job or off-the-job);
- . community and voluntary groups;
- . professional organisations; and
- . industry training bodies.

6.2 TAFE is the largest and most diverse element in the Australian training system. The TAFE system is administered by the States and Territories.

6.3 Award restructuring, changes from time-based to competency-based training and a greater emphasis on training in general will result in a greatly increased demand for training. The Department of Employment, Education and Training commented that a competency-based training system with national standards set against the National Training Board's competency framework will allow for the recognition of training regardless of where or how it is undertaken. Training could be undertaken through an institution (TAFE or private), through schools, in the workplace, a skill centre or through a community based training facility. Quality should not be an issue if the non-government providers are accredited<sup>1</sup>.

## TAFE Sector

6.4 This year, over one million young and adult Australians have enrolled in a course through one of more than 200 technical and further education colleges in Australia.

6.5 It has been argued that TAFE, from the mid 1970s to the mid 1980s, was more innovative in providing second chance education to adults than it was in providing vocational education to the workforce. TAFE's access and equity successes were often more impressive than its design and delivery of courses for industry. By the mid 1980's, TAFE was increasingly criticised by industry groups and industrial training authorities - with varying degrees of accuracy - for not responding to industry needs. The Employment and Skills Formation Council observed that many colleges have responded positively to the new training environment. They have significantly increased their role in providing training services to individual companies, they have changed the way curriculum is developed and they are building direct and more constructive relationships with industry<sup>2</sup>.

6.6 Some colleges may exercise a degree of autonomy and adaptability and actively seek to develop links with their local community, but it is the Committee's experience that unfortunately this varies greatly between systems and individual colleges. TAFE must develop closer links with industry and the community as it is ideally suited to having a central role in the training system because it is:

- . the largest, most geographically and educationally accessible provider of post-school education and the most important provider of entry-level training; and
- . the provider of the greatest range of post-compulsory courses for groups disadvantaged in the labour market and for adults seeking to upgrade basic education or develop additional skills.

6.7 While there will be a greater responsibility for industry, the growth in the training market will create many opportunities for TAFE to provide fee-for-service activities for industry. TAFE must provide training services which meet the needs of industry as this area is the source of greatest growth and development in the skill formation process.

6.8 The Training Costs Review Committee sees TAFE's involvement as directed to support and development and related training activities. These include assistance with skills recognition, skills audits and training needs analyses, assistance with industry and enterprise training plans, curriculum design, packaged learning kits, trainer training, training support and consultancy. The Committee agrees with the Training Costs Review Committee. TAFE is faced with a challenge, to be flexible enough to grasp the opportunity which the reformed training market will provide.

6.9 There are many examples where TAFE has responded in a positive manner and is providing excellent services which meet the needs of students and industry. It is disturbing however that the systemic nature of TAFE has, in general, made it difficult for TAFE to adapt quickly and appropriately to change. In many instances TAFE's budgets and staffing allowances continue to be time based - so too is the amount of time and when apprentices attend. TAFE must adapt to the needs of competency-based training and be able to respond quickly to a changing technological environment.

6.10 Continuing and increased government funding will be required if TAFE is to meet its obligations in contributing to the development of a skilled Australia. The Training Costs Review Committee suggests that a target of 15 to 20 per cent of total recurrent funding from entrepreneurial activity might be appropriate. It is unlikely that income earned from commercial activities will ever be sufficient to meet more than a small proportion of TAFE's operating cost.

6.11 The Committee considers it essential that TAFE develop closer links with industry. At the same time TAFE must continue to fulfil its wider social and educational obligations by providing access for the disadvantaged and continue its role as the principal provider of post-school training opportunities for adults, by the provision of sufficient fully funded courses.

6.12 There are some in TAFE who do not think that it should provide services on a fee-for-service basis. They argue that it runs contrary to TAFE's broader educational and social functions and that industry specific training is narrow in nature<sup>3</sup>. It has been stated that some access and equity programs, including adult education courses are being squeezed on the basis of their claimed lack of relevance to industry and the workforce. There is every possibility that TAFE's expanded commercial activities will generate income which will be used to replace recurrent funding. There is a danger of:

“.... the splitting of TAFE into a demoralised and residual public service element on the one hand and a semi-privatised training brokerage on the other”<sup>4</sup>.

6.13 While the Committee acknowledges these concerns, it agrees with the Employment and Skills Formation Council view that the argument, that TAFE's public obligations conflict with the development of TAFE as an industry-driven system, will become less convincing. The nature of demand for TAFE's publicly accredited courses will encourage industry and individual needs to converge. The convergence will also occur as training for the disadvantaged is increasingly drawn from courses accredited as meeting industry requirements. TAFE's obligations to disadvantaged groups in the labour market will also benefit industry by developing a more skilled workforce. It will help to ensure that all people can make a positive contribution to the economy and to society<sup>5</sup>.

6.14 To satisfy the demand for places there will need to be greatly increased funding. It is apparent that the resources available to TAFE are insufficient to meet current demand, let alone to meet the potential demand if the Australian Education Council Review Committee targets are to be achieved. The Review Committee has recommended the adoption of a new national target that by the year 2001, 95 per cent of 19 year olds should have completed year 12 or an initial post-school qualification or be participating in recognised education or training<sup>6</sup>. If these targets are to be achieved, the places available in TAFE would need to increase by 55 per cent<sup>7</sup>.

6.15 The Training Costs Review Committee noted that existing unmet demand in TAFE warranted greater government funding and recommended that funding be increased at the rate of 5 per cent per annum for the next 5 years<sup>8</sup>. The Employment and Skills Formation Council was concerned that the issue of funding appeared to have received less attention following the Deveson report. It concluded that:

“The current division of responsibilities between the Commonwealth and the States must be reviewed if TAFE systems are to continue to grow, participation rates in TAFE are to continue to rise, and the proportion of people in the workforce holding qualifications is to increase as it has over the past decade”<sup>9</sup>.

6.16 The Australian Education Review Committee targets would require increased expenditure estimated at between \$1.1 and \$1.5 billion for all education sectors of which about one-third would be required for TAFE<sup>10</sup>.

6.17 The Commonwealth Government proposed in October this year that it assume prime responsibility for the funding of vocational education and training. The proposal envisages that the Commonwealth would meet all recurrent and capital costs while at the same time the States accept responsibility for funding education to year 12. State Governments would retain responsibility for the management and administration of TAFE and training systems. Within agreed national standards and principles, States would also control accreditation, registration of providers as well as setting entry requirements, course quotas and student assessment.

6.18 The Commonwealth's proposal has been welcomed by organisations such as the Confederation of Australian Industry, the Business Council of Australia, the Metal Trades Industry Association, the ACTU and senior TAFE administrators. While the proposal has been overwhelmingly supported by organisations such as these, it has been criticised by Premiers and State and Territory Ministers. At a time when Australia is in need of radical training reform, the States continue to maintain their nineteenth century attitudes to the delivery of training.

6.19 There is no doubt that the strength of the higher education sector is the direct result of assured Commonwealth funding. Since 1983 there has been a 45 percent increase in university enrolments but over the same period there was no increase in TAFE enrolments. The stagnation of growth in the TAFE sector contrasts sharply with the growth in other education sectors. The Committee is convinced that Federal Government funding of TAFE is essential if Australia is to provide the skilled workforce required to enable it to prosper into the twenty-first century.

#### **Recommendation 9**

The Commonwealth Government assume prime responsibility for funding the public sector component of vocational education and training.

6.20 Whatever the outcome of the discussions between the Commonwealth and the States and Territories, the Committee considers that it is essential for there to be an overall increase in funding for TAFE. Increased funding by the Commonwealth alone is no solution. Past experience shows that a number of States have decreased funding for TAFE in direct proportion to increased Commonwealth funding.

6.21 The Committee is not aware of any commitment by the State and Territory Governments to provide the necessary resources to meet expected demand for places in TAFE. It is an abrogation of responsibility by the States and Territories to reject Commonwealth funding of the TAFE sector, while at the same time not providing significantly increased funds.

#### **Private Training Providers**

6.22 The Committee, while fully supporting measures to improve TAFE's delivery performance, considers it essential that the role of the private providers be seen as equal partners in the delivery and certification of training. The public sector

will not be able to meet the total demand that will be required to provide the skilled workforce needed to make Australia internationally competitive. Various industry associations saw the most important source of additional training capacity to meet unmet demand as private providers. The Confederation of Australian Industry for instance argued in a submission to the Committee that an extensive network of private providers would be able to provide significant advantages to the training system such as flexibility in structure and location and responsiveness to local industry and enterprise needs.

6.23 One participant at the Committee's workshop advised that while private provision of off-the-job apprentice training may be new there was extensive experience of private provision of training in non-craft areas and "where you find women particularly concentrated"<sup>11</sup>. In these instances people pay thousands of dollars for their training in a private training market "without very effective employer recognition or the integration of that learning into a career path"<sup>12</sup>. The Employment and Skills Formation Council acknowledged that some people paid considerable sums for their vocational education in the private sector, because of the under provision of these courses in TAFE<sup>13</sup>. It is clear to the Committee that there are considerable inequities in some areas between private and public provision. This must change.

6.24 Employers and unions broadly accept that much of the enterprise-specific training which arises under award restructuring will be undertaken on-the-job or in-house and that employers will meet the cost. The Deveson report noted that this is likely to occur in one of three ways, or in combination:

- . enterprises will deliver their own enterprise-based training program;
- . enterprises will purchase training products from external training providers, including but not exclusively TAFE;
- . enterprises will meet the cost (fees, charges and materials) of individual workers attending external training courses at TAFE and elsewhere<sup>14</sup>.

6.25 While some firms have operated private training centres for a decade or more, it is the Committee's view that with the expansion in demand for training, it is essential that there be an increase in non-TAFE training providers, such as industry skill centres, in-house training and commercial providers. It is also essential that proper accreditation mechanisms are developed to enable formal recognition of the skills gained.

6.26 The Committee was advised that the skill gaps beyond traditional combinations of on-site and TAFE training have proved so diverse that some companies have found it necessary to develop extensive courses whereby apprentices spend as much time in skills centre off-the-job training as they do at TAFE. One company said that rapid changes in technology and procedures are requiring more complex interpretive and innovative problem solving skills, (which many correspond to the Australian Education Council Review Committee's 'key competencies'). The company found that the impact of many of these changes transcended the conventional training of theoretical and practical skills. As a result a fully equipped skills centre has been established<sup>15</sup>. Another established a training centre to more closely integrate 'on-the-job' and 'off-the-job' training<sup>16</sup>.

6.27 Skill centres are operated not only by enterprises but also by some industry training councils and group training schemes.

6.28 The Committee visited skill centres operated by the Australian Chamber of Manufacturers and Holden's Engine Company, both in Melbourne and BP Oil on the Kwinana Strip. The Committee also visited training establishments run in conjunction with Karratha College and local industry including Woodside Petroleum, Robe River Iron Associates and Hamersley Iron. In addition, the Committee also had discussions with a number of other skill centre operators such as ICI, Email Training Services and Lend Lease Learning (formerly Training) Company. All provided quality training for their employees. Many operated as 'host' trainers for enterprises which do not operate their own training programs. The Committee was told that a number of employers do not employ the trainees and apprentices on



completion of their training, but provide the training to enhance the skills within the particular industry as a whole. Others encourage their trainees to seek employment with other firms upon completion of their training.

6.29 The Confederation of Australian Industry believes that there is potential for some private providers to be contracted by TAFE and other public sector authorities to provide courses or modules and to assist in the development of courses and course design. The Confederation concluded that private providers should be recognised as having the training capacity to provide accredited training. It states that:

“It is in this regard that the development of registration procedures in each State is an important step in ensuring that an adequate number of quality providers is available. What needs to be stressed is that registration requirements meet a national standard so that training providers and industry are able to operate nationally across the whole vocational education system”<sup>17</sup>.

#### **Recommendation 10**

Minister for Employment, Education and Training together with Ministers of Vocational Education, Employment and Training (MOVEET) establish national registration procedures for private providers of training.

6.30 The Australian Education Council Review Committee believes that young people should be able to move from one education and training setting to another and gain due recognition of the skills acquired in another setting<sup>18</sup>. The Training Costs Review Committee notes that a significant impediment in the development of effective training markets is the lack of an effective accreditation and certification mechanisms for industry and private providers. The report observes that:

“However, the growing demand for training is likely to translate into increased competition for trainers. The [Deveson] Committee is also aware of claims by a number of actual and potential trainers that if appropriate accreditation procedures were available they could provide training more cheaply and effectively than TAFE”<sup>19</sup>.

6.31 Despite the quality of the training being offered by private providers, it is disappointing that few have been fully accredited to provide off-the-job-training. New systems are being established to recognise industry-based training with full accreditation of the training provided. The Employment and Skills Formation Council paper saw industry-based training (directed towards the needs of specified enterprises) and TAFE's broader education role as separate though complementary processes which are connected by a system which can recognise and certify skills wherever and however acquired. In conclusion the Employment and Skills Formation Council observes that these moves mean that TAFE will lose its effective monopoly over publicly accredited training<sup>20</sup>. Some are disturbed that private providers will now supply services which have traditionally been seen as the exclusive domain of TAFE. One union official stated that:

“This key aspect of TAFE is now under threat both directly and insidiously as TAFE is no longer considered as automatically the prime, or only supplier, nor as the quality assurer or accreditation authority”<sup>21</sup>.

6.32 It is regrettable that the loss of TAFE's monopoly in the field of accredited training is seen by some as a 'threat' rather than a challenge. The Committee finds it totally unacceptable that the wider community has been required to accept that competitive pressures are leading to radical changes in the workplace, yet some in the TAFE sector argue that the old protectionist policies must remain. The Committee accepts, and welcomes the fact that TAFE will no longer be the sole provider of accredited training. The Committee is concerned however that the process of accreditation is agonisingly slow.

6.33 The Department of Employment, Education and Training discussion paper noted that a key issue is the extent to which non-TAFE off-the-job training should be fully funded. The funding of school-based off-the-job training will need to be considered against funds already made available to schools. It states that a more difficult issue is in regard to commercial and industry providers. The purchase of off-the-job training on a tender basis where a diverse range of providers is available should generate more private and service competition.

6.34 Funding of private enterprise skills centres was raised with the Committee. For example one participant at the workshop stated that:

“Many enterprises which are providing training to apprentices and others in accordance with publicly endorsed standards and course content are already asking questions about why they do not attract funding in the same manner that TAFE attracts funding. I think that will be an important issue that will need to be addressed within the planning of a framework that will suit the needs of the community over the next 20 to 50 years”<sup>22</sup>.

6.35 The Committee notes that there are arguments in favour of Government financial support for skill centres. These generally include:

- . skill centres operate on a non-profit basis and often offer training on an industry wide basis;
- . many skill centres offer training in areas which are not covered by TAFE; and
- . the greater involvement of skills centres reduces pressure on TAFE to accommodate the projected demands for off-the-job training.

6.36 On the other hand the Committee notes the views of those who believe that employers should be responsible for the enterprise training costs of their employees. In addition skills centres which operate as host trainers for other companies should provide the training on a fee-for-service basis. The provision of limited government resources to centres which directly duplicate the publicly funded infrastructure which exists in the TAFE sector also causes concern.

6.37 The Committee believes that skill centres which offer quality training, even if similar training is offered by TAFE, should be fully accredited and be able to compete with TAFE for trainees and apprentices. In addition, in appropriate circumstances, skills centres should be able to offer training on behalf of TAFE in which case the cost of providing those services should be fully funded by TAFE.

6.38 On balance the Committee supports the provision of Government funds to industry skill centres. The Committee believes however that such support should

be provided only to those skills centres which:

- . are properly accredited;
- . operate as industry rather than enterprise trainers; and
- . participate in programs devised to assist the disadvantaged.

### **Community Providers**

6.39 The AEC Review Committee observed that community agencies also play an important role in the delivery of education and training to young people in metropolitan areas and particularly in rural and isolated regions. The strong local identity of community providers and their capacity to provide education and training outside of an institutional setting gives them a significant role in the management and delivery of programs of both vocational and general education and training to people who would otherwise not participate. This role can include delivery of senior school certificate programs to adults and basic vocational training which leads on to mainstream qualifications<sup>23</sup>.

6.40 One major community based program is SkillShare. SkillShare is a labour market program which offers training and other support services to those who are most disadvantaged in the search for employment in our community. The objective of the program is to assist them to move on to further education or training opportunities, it is operated through a network of nearly 400 community groups.

6.41 The National SkillShare Association told the Committee that in 1990 more than 90 000 people were assisted by SkillShare projects. The Association maintained that it was essential that the participants obtain recognition of the skills they acquire in terms of access to employment and opportunities for further education and training<sup>24</sup>. The Association advised that this has not generally occurred in terms of access to formal accreditation processes, articulation and credit transfer. As with all labour market programs, the Committee sees little point in offering training which is not related to the wider reforms which are taking place in the Australian economy. It appears that SkillShare offers quality training with useful outcomes. To ensure that SkillShare effectively fulfils its role in providing training

to the disadvantaged, the Committee endorses fully the continuation of funding assistance.

#### **Recommendation 11**

The Commonwealth Government continue its funding support of SkillShare.

### **Group Training Schemes**

6.42 Another sector of the training market is group training companies. Some operate skills centres and all offer a mechanism which enables apprentices and trainees to acquire skills and gain experience from a number of host trainers from whom they receive on-the-job training.

6.43 The Committee was told that the group training program is successful with many participants obtaining 'Apprentice of the Year' awards. The benefits of group training from the apprentice/trainee point of view are that it:

- . maximises the potential of quality training by rotation;
- . maximises the opportunity to train in a variety of different ways, under different trainers using a variety of equipment;
- . reduces the risk of exploitation as a result of the expert screening of host trainers by the group training company<sup>25</sup>.

6.44 For the host trainer group training offers the following advantages:

- . selection of apprentices/trainees by experienced staff who specialise in this type of recruitment;
- . 'someone to turn to' for assistance with a problem concerning apprentices/trainees;
- . an opportunity to participate in training apprentices/trainees at a preferred level (for example, 4th year apprentices);
- . opportunity to participate in training apprentices/trainees at different times to

help meet peak workload demands, seasonal variations, cover for staff absenteeism and so on<sup>26</sup>.

6.45 Group training companies employ over 10 000 apprentices and nearly 1 000 trainees and account for 5.3 per cent of apprentices and 7.3 per cent of ATS trainees in Australia. The Commonwealth and State Governments provided financial assistance for the administration of group training companies amounting to \$10.4 million in 1989. In 1991-92 the Commonwealths contribution will be \$6.9m<sup>27</sup>.

6.46 The Government has indicated that group training companies must become more self-sufficient and has announced the phasing out of assistance over a three period commencing from July 1992. When the Federal Government began funding the schemes, it did so with the intention that the funding was short-term and that the schemes would, over time, become self-sufficient as industry-based training programs increased and government training programs broadened their focus.

6.47 The Committee is concerned however that in attempting to widen their income bases, group training companies may have already had their attention diverted from their main purpose. In doing so, the servicing of clients and the placing of apprentices and trainees may have suffered in the process. In addition, in attempting to become self-sufficient, group training companies are likely to require greater resources in order to engage in profit-making activities. In the early stages at least, this is likely to be a costly exercise.

6.48 The Committee accepts that some group training schemes are capable of, and willing to become self-sufficient, but is not convinced that this can be applied generally. In particular, areas with only a small manufacturing base and where the proportion of very small operations predominant are two examples. Group training schemes have proved to be amongst the most effective and outstanding providers of apprenticeship training. The current process of dismantling and re-constructing

Australia's skills development system provides a good opportunity for Group Training to provide an even more important contribution to the development of a skilled Australia. The Committee believes that funding support for group training companies should continue.

**Recommendation 12**

The Committee recommends that the Commonwealth Government continue its funding support of group training schemes.

**Labour Market Programs**

6.49 The Department of Employment, Education and Training discussion paper states:

“As structured entry-level training is extended, the articulation of Labour Market Programs such as SkillShare, Jobstart and Jobtrain needs to be considered to facilitate mainstreaming”.

6.50 Accreditation and articulation must apply to programs offered through community providers. The Employment and Skills Formation Council believes that the courses provided must be of a length and quality that will improve long-term employment prospects. The National SkillShare Association advised that this often does not occur.

6.51 The Committee is concerned that the 'mainstreaming' of labour market programs is hampered by the number of programs offered. The Committee accepts that the programs must be flexible to meet differing requirements. However it believes that this flexibility can be achieved through fewer programs.

6.52 The Committee also believes that it is essential that various labour market programs are relevant and be part of the wider reforms which are currently underway. The Committee sees no point in offering programs which cannot lead to entry into the structured entry-level training system.

### **Recommendation 13**

The Minister for Employment, Education and Training review labour market programs:

- . to enable a reduction in the number of programs; and
- . to facilitate credit transfer and articulation to mainstream vocational education and training and employment.

Mary Crawford  
Chair  
December 1991



## Chapter 6 - Endnotes

- 1 Department of Employment, Education and Training, *A New Structured Entry-level Training System for Australia*, June 1991, Canberra, pp. 22-23.
- 2 Employment and Skills Formation Council, *TAFE in the 1990's: Developing Australia's Skills*, AGPS, 1991, p. 11.
- 3 *ibid.*, p. 16.
- 4 Byrne P., ATU, *Australian TAFE Teacher*, Second Quarter, 1991.
- 5 Employment and Skills Formation Council, *op.cit.*, p. 18.
- 6 Australian Education Council Review Committee, *Young People's Participation in Post-compulsory Education and Training*, AGPS, July 1991, p. 48.
- 7 Australian Education Council Review Committee, *op.cit.*, p. 167.
- 8 Training Costs Review Committee, *Training Costs of Award Restructuring*, Vol. 1, AGPS, October 1990, p. 67.
- 9 Employment and Skills Formation Council, *op.cit.*, p. 30.
- 10 Australian Education Council Review Committee, *op.cit.*, p. 179.
- 11 Pocock, B., *Workshop Transcript*, 2 October 1991, p. 23 (proof).
- 12 *ibid.*
- 13 Employment and Skills Formation Council, *op.cit.*
- 14 Training Costs Review Committee, *op.cit.*, pp. 41-42.
- 15 Lend Lease Training Company, Submission No. 18, Vol 1, p. 58.
- 16 Email, Submission No. 43, Vol 2, p. 26.
- 17 Confederation of Australian Industry, Submission No. 83, Vol 4, p. 44.
- 18 Australian Education Council Review Committee, *op.cit.*, p. 110.
- 19 Training Costs Review Committee, *op.cit.*, p. 11.
- 20 Employment and Skills Formation Council, *op.cit.*, p. 37.
- 21 Byrne, P., ATU, *op.cit.*, 1991.
- 22 Bushrod, R., *Workshop Transcript*, 2 October 1991, p. 65.
- 23 Australian Education Council Review Committee, *op.cit.*, p. 113.
- 24 National SkillShare Association, Submission No. 88, Vol 4, p. 112.
- 25 ACTU - Lend Lease, Submission No. 40, Vol 2, p. 5.
- 26 *ibid.*
- 27 Information provided by Department of Employment, Education and Training.



## APPENDIX 1

### SUBMISSIONS RECEIVED

#### Individuals

- . Mr R Anderson, FOREST LODGE, NSW
- . Mr Phillip Brooks, BUNDAMBA, QLD
- . Mr Gregory Byrne, ST KILDA, VIC
- . Mr Rudolf Danz, BLACKWOOD, SA
- . Ms Mary Goodwin, BOWRAVILLE, NSW
- . Mr F Juracich, CITY BEACH, WA
- . Mr Werner Laue, CASUARINA, NT
- . Mrs Desma Leach, SHELDON, QLD
- . Mr Adrian Lighthart, LILYDALE, VIC
- . Mr Doug Macardy, BRIGHT, VIC
- . Ms Marie Marchese, & Mr Ron North, WEST END, QLD
- . Mr Quentin McNaughton, EAST LAUNCESTON, TAS
- . Mr Linton Passmore, DECEPTION BAY, QLD
- . Mr John Pitman, PERTH, WA
- . Mr Bevil Purnell, FLOREY, ACT
- . Mrs C Regan, BOX HILL NORTH, VIC
- . Mr Graham Speight, CLAREMONT, TAS
- . Mr Gus Steinbauer, ROSNY, TAS

#### Organisations

- . ACEA Apprentice Training Group, BROADWAY, NSW
- . ACT Institute of Technical and Further Education, CANBERRA, ACT
- . ACTU - Lend Lease Foundation, SYDNEY, NSW
- . Australian Chamber of Manufactures, MELBOURNE, VIC
- . Australian Mines & Metals Association, MELBOURNE, VIC
- . BHP, MELBOURNE, VIC
- . Confederation of Australian Industry, MELBOURNE, VIC
- . Construction Industry Training Council (QLD), SOUTH BRISBANE, QLD

- . Construction Training Council (NT), DARWIN, NT
- . Construction Training Council (WA), WEST PERTH, WA
- . Customised Training Agency, Central Metropolitan College of TAFE, PERTH, WA
  
- . Department of Technical and Further Education, HAYMARKET, NSW
- . Dusseldorp Skills Forum Inc, SYDNEY, NSW
  
- . Elms Learning Management System, MILTON, QLD
- . Email Training Services Pty Ltd, WATERLOO, NSW
  
- . Ford Motor Company of Australia, CAMPBELLFIELD, VIC
  
- . Group Training Australia (SE Zone), BORONIA, VIC
  
- . Hamersley Iron Pty Ltd, PERTH, WA
- . Hervey Bay College, PIALBA, QLD
- . Hobart Technical College, NORTH HOBART, TAS
- . Holmesglen College of TAFE, CHADSTONE, VIC
- . Housing Industry Association, CANBERRA CITY, ACT
  
- . Illawarra Disabled Persons' Trust, WOLLONGONG EAST, NSW
  
- . Lend Lease Training Company, AUBURN, NSW
  
- . Master Concreters' Association of Victoria, RINGWOOD, VIC
- . Master Painters' Decorators and Signwriters Association of Queensland Ltd, FORTITUDE VALLEY, QLD
- . Meat & Allied Trades' Federation, CROWS NEST, NSW
- . Melbourne College of Decoration, MELBOURNE, VIC
- . Midwest Training Group (Inc.), GERALDTON, WA
  
- . National Electrical and Electronic Industry Training Committee, NORTH SYDNEY, NSW
- . National Furniture Industry Training Council, MELBOURNE, VIC
- . National Metal & Engineering Training & Career Development Project, NORTH SYDNEY, NSW
- . National Plastics & Rubber Industry Training Council, KENSINGTON, NSW
- . National SkillShare Association Limited, CARLTON SOUTH, VIC
- . New South Wales Coal Association, SYDNEY SOUTH, NSW
- . North Broken Hill Peko Ltd, MELBOURNE, VIC
  
- . Plumbing & Painting Training Co, MAYLANDS, WA
- . Prison Industries Division, REGENTS PARK, NSW
  
- . Queensland Group Schemes Association, PADDINGTON, QLD
  
- . Redland Community College, CAPALABA, QLD

. Restaurant & Catering Association, CROWS NEST, NSW  
. Retail Traders' Associations of Australia, SYDNEY, NSW  
. Rothmans Holdings Ltd, NORTH SYDNEY, NSW

. South Brisbane College of TAFE, SOUTH BRISBANE, QLD

. Tasmanian Furniture Industry Training Council, LAUNCESTON, TAS  
. Tasmanian Rural Industry Training Board, LAUNCESTON, TAS  
. The Group Training Association of NSW, BATHURST, NSW  
. The Hunter Apprenticeship Training & Promotion Advisory Committee,  
EAST MAITLAND, NSW  
. The Master Plumbers & Mechanical Services Association (WA),  
MAYLANDS, WA  
. TNT Australia Pty Ltd, ST PETERS, NSW  
. Tourism Training Australia, HAYMARKET, NSW

. Victorian Building & Construction Industry Training Board, OAKLEIGH, VIC  
. Victorian Textile, Clothing & Footwear Industry Advisory Committee,  
MELBOURNE, VIC  
. Victorian Traineeships Co-ordinators' Network, ST ALBANS, VIC

. Western Mining Corporation Ltd, MELBOURNE, VIC  
. Woodside Petroleum Ltd, MELBOURNE, VIC

#### **Governments and Government Agencies**

. Department of Defence , CANBERRA, ACT  
. Department of Further Education, Training and  
Employment, DARLINGHURST, NSW  
. Department of Industrial Relations, CANBERRA CITY, ACT  
. Department of the Arts, Sport, the Environment, Tourism & Territories,  
CANBERRA, ACT  
. Department of the Prime Minister and Cabinet, BARTON, ACT

. Industrial & Commercial Training Commission (SA), ADELAIDE, SA

. Minister for Education, EAST PERTH, WA  
. Minister for Employment, Education and Training, CANBERRA, ACT  
. Minister for Productivity and Labour Relations, EAST PERTH, WA

. National Training Board Ltd, CANBERRA CITY, ACT  
. New South Wales Government, SYDNEY

. OTC Limited, SYDNEY, NSW

. Queensland Government, BRISBANE

. Tasmanian Government, HOBART

- . Telecom Australia, MELBOURNE, VIC
- . Victorian Government, MELBOURNE
- . West Australian Government, PERTH

**APPENDIX 2**  
**LIST OF WITNESSES**

**Canberra, 21 September 1990**

Department of Employment, Education and Training  
Mr Neill Buck  
Acting Assistant Secretary  
Industry Training Program Support Branch  
TAFE and Skills Formation Division

Mr Michael Murphy  
Principal Adviser  
TAFE and Skills Formation Division

**Canberra, 18 October and 5 November 1990**

National Training Board Ltd  
Mr Robert Cooper  
Manager  
Skill Standards

Mr Alan Godfrey  
Chief Executive Officer

**Sydney, 6 February 1991**

ACTU-Lend Lease Foundation  
Mr Kevin Power  
Executive Director

Mr David Thorne  
Trustee

Dusseldorp Skills Forum  
Mr Richard Sweet  
Research Coordinator

Lend Lease Training Co Pty Ltd  
Mr Ern MacDonald  
Chairman

Mr Ken Hill  
General Manager

. Metal & Engineering Training & Career Development Project  
Mr Richard Jenkins  
National Coordinator

. National Plastics & Rubber Industry Training Council  
Mr Douglas Fahey  
General Manager

. National Restaurant & Catering Association of Australia  
Mr Ken Orth  
Chief Executive

. OTC Ltd  
Mr Vincent Donoghue  
Manager  
Training Support

Mr Peter Jontulovic  
Human Resources and Training Services

. Tourism Training Australia  
Ms Anne Rein  
Chief Executive

. NSW Government  
Mr Thomas Dumbrell  
Assistant Director  
Labour Market Policy Unit  
Department of Industrial Relations, Employment, Training and  
Further Education

Mr Ian Colley  
Senior Policy Adviser  
Labour Market Policy Unit  
Department of Industrial Relations, Employment, Training and  
Further Education

Mr Douglas Newton  
Senior Policy Adviser  
Ministry of Education, Youth and Women's Affairs

Sydney, 7 February 1991

. Email Ltd  
Mr Bryan Jones  
Manager, Training & Development

Mr Brian Pickett  
General Manager, Personnel



National Electrical & Electronic Industry Training Committee

Mr Donald Mould  
Executive Officer

Mr Arthur Mychael  
Training Consultant

TNT Australia

Hon John E Akister  
Personnel Manager

**Melbourne, 25 March 1991**

Broken Hill Proprietary Co Ltd

Mr Alan Maxwell Priestly  
Manager  
Education Training and Personnel Services

Ford Motor Company

Mr Robert George Crowley  
Education and Personnel Research Manager

North Broken Hill Peko Ltd

Mr Robert Walter Croft  
Group Personnel Manager

Mr Geoffrey John Smith  
General Manager  
Corporate Services

Retail Traders Association

Mr Ronald Charles Beattie  
Member  
Training Committee

Mr David Colin Frazer  
Chairperson, Training Committee

Victorian Government

State Training Board  
Mr Mark Burford  
Acting Manager, Strategic Planning Branch

Mr John Arthur Nathan  
Executive Director  
Occupational Training Bureau

Melbourne, 26 March 1991

Australian Chamber of Manufactures  
Mrs Christine Fitzherbert  
Manager  
Education and Training

Ms Rosemary Latimer  
Senior Industrial Counsellor Education & Training

Confederation of Australian Industry  
Mr David Robert Nolan  
Director

Group Training Australia (SE Zone)  
Mr Mark Butcher

Mr Paul Aanen Martin  
Director

Holmesglen College of Technical and Further Education  
Ms Marie Dumais  
Manager  
Training Research and Development Unit

Mr Ken Griska  
Head of the Centre for Building and Construction

Mr Bruce Mackenzie  
Director

National Furnishing Industry Training Council Ltd  
Mr Lance Hadaway  
Executive Director

Telecom Australia  
Mrs Cherry Francis Cole  
Assistant Director  
Executive Services Unit

Mr Rodney Clifton Thomas  
Senior Human Resources Consultant

Mr Leo Van Neuren  
National Design Manager  
Telecom Training Services

Victorian Building and Construction Industry Training Board

Mr David John Eynon  
General Manager

Mrs Sue Henderson  
President

Ms Dawn Watson  
Secretary

Brisbane, 13 June 1991

Queensland Government

Mr Ian William Andrew  
Associate Director  
Division of Curriculum Design and Development  
Bureau of Employment, Vocational & Further Education and Training

Mr Harry Hauenschild  
Commissioner for Training

Mr Bruce Miller  
Acting Director  
Division of Training Services

Mr John Stewart Stalker  
Acting Director  
Division of Research and Learning Strategy

Ms Julia Zimmerman  
Manager  
Access Education Branch

Queensland Group Schemes Association Inc

Mr Thomas Norman Quinn  
Member  
Management Committee

Mrs Janine Warnick  
Executive Officer

Redland Community College

Mrs Donna Anderson  
Manager  
Adult and Tertiary Studies

Mr Terry Graham Fitzgerald  
Teacher

Ms Lee Anne Rector  
Teacher

Dr David Warner  
College Director

Perth, 8 July 1991

Hamersley Iron Pty Ltd  
Mr Allan Fletcher  
Principal Training Adviser

The Master Plumbers & Mechanical Services Association (WA)  
Mr Stuart Henry  
Executive Director

Woodside Petroleum  
Mr Jeffrey Coomber  
Senior Industrial Relations officer

Mr Chris Cronin  
Manager  
Employee Relations

WA Government  
Mr Tom Lyons  
Director  
Curriculum Integration  
TAFE

Mr Alfred Frank Standen  
Acting Manager  
Training and Assessment Services  
Department of Employment, Education and Training

Mr Bernard Joseph Ryan  
Director  
Industrial Training Division

## APPENDIX 3

### VISITS AND DISCUSSIONS

**Melbourne, Victoria, July 1990**

Australian Chamber of Manufactures, Training Centre

**Wagga, New South Wales, 3 October 1990**

RAAF Training Schools, RAAF Base

**Bonegilla, Victoria, 4 October 1990**

Army Apprentices School

**Melbourne, Victoria, 29 October 1990**

Ford Motor Company

Holden's Engine Company

Confederation of Australian Industry

**Hobart, Tasmania, 31 October 1990**

Australian Newsprint Mills, Boyer Mill

Claremont Education Park

International Catamarans, Tasmania

**Brisbane, Queensland, 25 February 1991**

Redland Community College

**Pialba, Queensland, 12 June 1991**

Hervey Bay Senior College

**Corinda, Queensland, 13 June 1991**

Oxley Secondary College

**Perth, Western Australia, 8 July 1991**

J & E Hoffman

Cooper and Oxley Constructions

Kwinana Strip Skills Centre

**Karratha, Western Australia, 9 July 1991**

Woodside Petroleum

Hamersley Iron

Karratha College

**Cape Lambert, Western Australia, 10 July 1991**

Robe River Iron Associates

**Canberra, Australian Capital Territory, 4 November 1991**

Lake Tuggeranong College

Erindale College

## APPENDIX 4

### WORKSHOP PARTICIPANTS - 2 OCTOBER, 1991

Mr Kim Bannikoff  
Vocational Education & Training Division  
Department of Employment, Education and Training

Mr Ross Bushrod  
Employment & Training Services Division  
NSW Department of Industrial Relations, Training and Further Education

Mr Paul Byrne  
Australian Teachers' Union  
(TAFE Division)

Ms Jacki Byrne  
Social Policy Unit  
Queensland Cabinet Office

Dr Cherry Collins  
School of Education  
Murdoch University

Mr Charles Connelly  
Employment & Training Division  
SA Department of Employment and Technical and Further Education

Mr John Cossons  
Employment and Training Branch  
NT Department of Education

Mr Robert Croft  
Corporate Services  
North Broken Hill Peko Ltd

Mrs Gail Cummins  
Employment and Skills Formation Council

Ms Janet Davidson  
WA Ministry of Education

Mr Douglas Fahey  
National Plastics & Rubber Industry Training Council

Mr Norm Fisher  
ACT TAFE

Ms Christine Fitzherbert  
Education and Training  
Australian Chamber of Manufactures

Mr Tony Greer  
Industry Training - Program Support  
Department of Employment, Education and Training

Mr Peter Hannigan  
National Training Board Ltd

Mr Kev Harm  
Oxley Secondary College

Mr Harry Hauenschild  
QLD Bureau of Employment, Vocational and Further Education and Training

Mr John Heaney  
Vocational Education and Training Division  
Department of Employment, Education and Training

Ms Cathy Hudson  
Social Policy Unit  
Queensland Cabinet Office

Mr Bryan Jones  
Training and Development  
Email Training Services Pty Ltd

Mr Kerry Klineberg  
Australian Chamber of Manufactures

Mr Aidan O'Leary  
AUSTAFE Incorporated

Mr David Phillips  
AEC Review  
Department of Employment, Education and Training

Ms Barbara Pocock  
Labour Studies  
Adelaide University

Mr Thomas Quinn  
Queensland Group Schemes Association Inc

Ms Helen Robinson  
Industry Planning Branch  
State Training Board of Victoria

Ms Lyn Rolley  
Independent Teachers' Federation

Ms Diane Ryan  
National Training Board

Mr Roger Said  
Technical Support  
ICI Australia Pty Ltd

Mr Stan Sielaff  
TAFE.TEQ

Dr Larry Smith  
Hervey Bay College

Mr Peter Summers  
Office of the Minister for Employment, Education and Training

Mr Richard Sweet  
Desseldorp Skills Forum Inc

Mr Brian Turner  
TAS Department of Employment, Industrial Relations and Training

Ms Judy Vergison  
ICI Australia Pty Ltd

Mr Nick Webb  
National Council of Independent  
Schools Associations

Mr Laurier Williams  
Australian Council for Private Education and Training

Mr Geoff Winter  
Education and Welfare Group  
Parliamentary Research Service  
Department of the Parliamentary Library

Mr Percy Worsnop  
Confederation of Australian Industry