

### **Australian Government**

### Department of Education, Science and Training

### Submission to The House of Representatives Standing Committee on Agriculture, Fisheries and Forestry

Inquiry into Rural Skills Training and Research

**Additional Information** 

September 2006



HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON AGRICULTURE, FISHERIES AND FORESTRY

> Parliament House Canberra ACT 2600 Tel: 02 6277 4500 Fax: 02 6277 4424 E-mail: Aff.Reps@aph.gov.au Web site: www.aph.gov.au/house/committee/primind ABN no 18526287740

#### Additional information required following Public Hearing on 16 August 2006

# 1. What has been the feedback from industry on the removal of the women in non-traditional trades and rural, and regional skills shortage incentives under the Australian Apprenticeships scheme?

As the removal of the special <u>Women in Non-Traditional Trades</u> incentive does not impact on entitlements to standard incentives nor broader entitlements which may apply, there has been very little adverse reaction from major employers. Similarly, the impact of removing this incentive on small business has been minimal, as only 11% of claims for this special incentive in the last financial year were from a small business.

Most employers understand that this incentive was removed because it was not achieving its purpose; i.e. of enabling careers for more women in vocationally skilled, non-traditional occupations.

To illustrate this point, Departmental records show that during the 2004 and 2005 calendar years, only 9.2% of Australian Apprenticeship commencements in a wool production qualification were by females. Over this period only two out of the 305 Australian Apprentices commencing a Certificate III in Shearing were women.

The major users of this incentive were in light industry and in abattoirs, that employ large numbers of women in lower skills occupations, with relatively little room for career advancement.

As the special <u>Rural and Regional Skill Shortage</u> incentive has not been removed, there has been no widespread concern expressed by industry.

From 1 July 2006, this incentive has been re-targeted at those rural and regional employers who create employment-based training opportunities for Australian Apprentices seeking either a trade or another qualification currently in national skills need.

This reform provides a clear message that the Australian Government is focusing its support on training effort to trade and related occupations and brings this incentive into line with other elements of Australian Apprenticeships policy addressing national skill needs, including the Tools for Your Trade Initiative and the Commonwealth Trade Learning Scholarship.

Any trade identified as being in national skills need will continue to attract this special incentive for rural and regional employers. The department currently uses the Migration Occupations in Demand List (MODL) list, prepared by the Department of Employment and Workplace Relations (DEWR) for the Department of Immigration and Multicultural Affairs (DIMA) to identify those occupations which are in national skills need and for which incentives continue to apply. In the recent change to the special <u>Rural and Regional Skill Shortage</u> incentive, a number of qualifications were removed from the list, including agriculture and horticulture as they were not in national skill shortage. Also in this recent change, employers in child care, aged care and enrolled nursing, also areas in national skills need, will now be able to attract this incentive.

The changes to the Rural and Regional incentive and the withdrawal of the Women in Non-Traditional Trades incentive have allowed for some savings to be directed to higher priority areas under the Australian Apprenticeships Incentives Programme, such as employer incentives for selected Diploma and Advanced Diploma Australian Apprenticeships.

Extending incentives to Diploma and Advanced Diplomas which started from 1 July 2006 will have a positive impact on women's careers in these highly skilled paraprofessional occupations. Qualifications in areas such as health and community service offer individuals a sustainable career path with potentially greater financial reward and employment security.

The new incentives for Diploma and Advanced Diploma for selected para-professionals, will also contribute in a positive way to skills development in regional centres in Australia where there are skills needs.

### 2. Under the Australian Apprenticeship service delivery framework that commenced at 1 July:

• How will employers experience the "particular focus on servicing the needs of rural and regional Australia"?

Australian Apprenticeships Support Services must be provided across the entire region and these services are provided through full-time and part-time sites as well as through field officers.

Under the new Australian Apprenticeships Support Services contracts, which commenced on 1 July 2006, Australian Apprenticeships Centres provide more streamlined services than ever before, including facilitating job placements, to offer a genuine one-stop-shop for employers and Australian Apprentices.

One of the key principles that underpin Australian Apprenticeships is ensuring regional and community involvement in Australian Apprenticeships. Australian Apprenticeship Centres will be required to achieve this by strengthening partnerships with industry at the regional level, building linkages with community organisations, schools, and training organisations.

There are twenty seven (27) Australian Apprenticeships Support Services (AASS) regions across Australia. Australian Apprenticeship Centres (AAC) are required to have separate business plan for each AASS region in which they deliver services. The AASS

Contract, which came into effect on 1 July 2006, stipulates that AACs are contractually obliged to deliver strategies against the following three Business Plans:

- the Marketing and Promotion of Australian Apprenticeships Business Plan (which covers their strategies for marketing and promotion of Australian Apprenticeships);
- the Servicing Key Priority Groups Business Plan (which covers their strategies for servicing Key Priority Groups including Indigenous Australians, people with a disability, Australian School-based Apprentices and mature aged workers); and
- the Skills Need Occupations Business Plan (which covers their strategies for increasing participation in skills needs occupations).

The Australian Government is delivering a range of initiatives during 2006 to 2009 designed to attract and retain young Australians in the trades and provide incentives to encourage Australian business to take on these people and help develop their skills.

# • What is the funding allocation for Australian Apprenticeship Centres in rural and regional Australia, and the funding for those in metropolitan areas?

The Department contracts with Australian Apprenticeships Centres (AAC) on a regional basis which is not broken down into Metropolitan, Rural and Regional categories. There are 22 Regions nationally which are outlined in Appendix 1.

The regions have been grouped to provide some indication of the break up of metropolitan and regional and rural however, some regions cover all three of these areas. The total indicative contract value for Adelaide, Brisbane, Perth, Melbourne, ACT and Sydney regions is \$309.85m and for the remaining regions, \$197.5m.

#### 3 Are there specific incentives for Australian Apprenticeship Centres to assist small and medium sized agricultural businesses, as opposed to large businesses?

No, there are no specific incentives for small or medium sized agricultural businesses.

### 4. What skills were identified by the Agri-Food Industry Skills Council as current and future skills needs in rural and regional Australia?

The Agri-Food Industry Skills Council (ISC) completed a national skills report in early 2005 following Australia-wide consultations with industry, enterprises, DEST and other Commonwealth and State government agencies. The broad findings were as follows:

- Attracting and retaining a skilled workforce in rural and regional Australia is a function of addressing concurrently skills and workforce development, development of regions, industry image, business management and business compliance;
- Specific skills shortages identified were farm-ready farm hands across *rural* sectors; general labour and seasonal workers, machine operators, business management and leadership skills;

- *Meat processing;* skills shortages in entry level trainees, boners, slicers and slaughterers, retail butchers, quality assurance and management skills, environmental management, and supply management;
- Seafood; skills shortages in environmental management, food safety, seafood processing, product and industry promotion, OH&S, leadership and mentoring, quality assurance, business management, deckhands, skippers and engine drivers;
- *Food processing*; shortages in nutrition, food safety, quality assurance, business management, traditional trades, innovation, engineers, marketing and promotion, environment and waste management; and
- *Racing*; skills shortages in apprentice jockeys, track riders, trainers, farriers, stable hands, harness trainers and drivers, OH&S, business management and skills development.

Recently, the Council completed its second annual national consultations which validated the broad findings of the previous year, but additionally noted:

- Skills and workforce shortages were further highlighted as businesses were experiencing stronger production following an easing of drought conditions in a number of areas, and buoyant demand for beef in a growing export market;
- Higher level technical skills were in short supply;
- Farm, seasonal and peak-time workers were very difficult to attract and retain;
- Access to quality training and development, particularly for short and specialist courses;
- Regional development, access to family services, poor image of the industry, and no understanding of the opportunities and careers available in the regions by city dwellers were key impediments to attracting new workers and their families;
- Competition for available workers was strong in the context of general shortages of skilled workers and the growth and superior rewards offered by the mining and resources industry – which is also experiencing major shortages.

# 5. The DEST submission states that, "Since 1995, nearly two hundred training facilities have been established or redeveloped by the Australian Government in rural and regional areas." How many education and training facilities have closed in rural and regional areas since 1995?

DEST does not currently hold information on the number of rural and region training facilities that have closed since 1995. Management of training facilities is currently a state responsibility.

### 6. What is the Department doing to ensure that the education and training needs of women in agriculture are being met?

The Agri-Food ISC completed a business skills report in 2005 which includes a major focus on women in the agri-food industry. The report identifies recognised strategies, such as targeted training and the use of existing networks for the delivery and promotion of training. It also identifies business skills as the prime training needs for women in agriculture in terms of their critical role in the running of the farm as a business.

The report also gives examples of innovative services by training providers such as Business Enterprise Centres working with women's groups such as Rural Women in Business to deliver programs.

In addition, the Small Business Field Officers program (previously known as the Small Business Answers program), which has had great success in sponsoring women's groups to allow networking and mentoring to take place, is described as an example of organisations funded by different Australian Government areas working together to achieve mutual benefits from training.

#### 7. The DEST submission states that:

• The Australian Government is undertaking a major reform of the VET system, to ensure it can address areas of emerging skills needs. The Government is also working towards better quality training and outcomes for clients, through more flexible and accelerated pathways, and simplification and streamlining processes.

#### What progress has been made with the review of the VET system?

#### Does it include an emphasis on the needs of agriculture?

On 22 October 2004, the Prime Minister announced that the Australian National Training Authority would be abolished from 1 July 2005 and that those functions would be moved to the Department of Education, Science and Training (DEST).

ANTA was established in 1992 to coordinate State, Territory and Commonwealth governments in establishing a national vocational education and training system.

On 18 February 2005, the Australian Government released its Directions Paper – *Skilling Australia – New Directions for Vocational Education and Training*, including proposed models for ensuring ongoing national collaboration and industry leadership. DEST subsequently consulted widely with a broad range of key stakeholders in February and March. In April 2005, DEST released the resulting paper, *Summary of Consultation Outcomes*, which outlined the feedback received on the directions paper and proposed new national training arrangements.

In late 2005 all States and Territories accepted the Australian Government's funding offer for the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce (the Agreement) and agreed to support the new national training arrangements.

The new national training arrangements build on the successful reforms of the past ten years. Today, Australia has a collaborative training system built on nationally-recognised qualifications, industry engagement and a national approach to quality assurance. The new arrangements will provide for a high quality, flexible and responsive training system that has the capacity to provide industry and business with the skilled workforce needed to sustain Australia's economic growth. Industry leadership and engagement will be injected into all aspects of the new training system.

The national training system is built around:

• a *National Governance and Accountability Framework*, which establishes the decision making processes and bodies responsible for training, as well as planning and performance monitoring arrangements to guide the operation and growth of the training system; and

• a *National Skills Framework*, which sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training.

It is important to note that many of the advisory bodies in the national training system involve participation by key industry stakeholders. The National Industry Skills Committee (NISC), for example, has a member nominated by the National Farmers Federation. The NISC is required to bring broad based advice to the Ministerial Council for Vocational and Technical Education and to engage formally with all relevant stakeholders, particularly those from outside of the government.

Detail regarding arrangements for particular industries such as agriculture are contained within the documents that support the Agreement. The Agreement requires that some jurisdiction-specific elements of the Agreement be described in greater detail in Bilateral Agreements. The bilateral agreements provide an avenue for addressing local diversity within the framework of national consistency. They provide flexibility to implement National Priorities and establish performance levels that are relevant to each jurisdiction.

The Agreement is also supported by Vocational Education and Training (VET) Plans, which provide detail on how each State and Territory plan to meet the requirements of the Skilling Australia's Workforce legislation and the multilateral and bilateral agreements.

The Agreement and State and Territory bilateral and VET Plans are available at: <u>http://www.dest.gov.au/sectors/training\_skills/publications\_resources/agreement/default\_.htm</u>.

### 8. How will the proposed Australian Technical Colleges meet the needs of agricultural industries?

The Australian Government is funding 25 Australian Technical Colleges across Australia in areas where there are skills needs, a high youth population and a strong industry base. These Colleges cater for Years 11 and 12 students who wish to study for their Year 12 certificate and start an apprenticeship whilst still at school (Australian School-based Apprenticeship).

The Colleges will support students through both academic and trade training; with mentoring, career advice and business and employability skills. These courses are all developed with industry input to ensure that the training offered will be relevant for local needs.

To ensure that Australia's pressing trade skill needs are widely addressed, the Government's broad expectation is that each Australian Technical College will offer a trade or trades from one of the five priority industries including:

- metal and engineering (e.g. machinists, fabricators, toolmakers, welders, sheet metal workers);
- automotive (mechanics, auto electricians, panel beaters, vehicle painters);

- building and construction (bricklayers, plumbers, carpenters);
- electro-technology (including refrigeration, air-conditioning and electricians); and
- commercial cookery.

### 9. Does the Department support the Agri-Food Industry Skills Council continuous improvement model for Training Packages?

• What financial savings would be made under this model?

Following the completion of the current three year major reviews of Agri-Food's nine Training Packages by mid 2007, the Council intends to move immediately to a continuous improvement process for the regular updating of training products. This is essential to ensure a much greater responsiveness to industry's changing needs, thus allowing continual alignment of training with job requirements.

Agri-Food's planned approach aligns with DEST's policy that Industry Skills Councils move to a continuous improvement model after ensuring that their Training Packages are current.

• What financial savings would be made under this model?

Under continuous improvement, Agri-Food will take a proactive approach to ensuring that industry's needs are catered for in improving Training Packages in a timely manner.

A full review of a Training Package will not be scheduled to be undertaken every few years, but will only be initiated if indications are that it is required. Instead, Agri-Food's processes for continual monitoring of industry requirements and incorporating these into Training Packages as needed is likely to avoid the need for a full Training Package review to be undertaken as frequently, if at all.

The savings from this approach are likely to be significant, as full Training Package reviews are resource-intensive, while continuous improvement may allow for the development of more cost-effective and quality-assured processes.

### **10.** What factors inhibit the uptake of recognition of prior learning in agricultural industries?

Data from the National Centre for Vocational Educational Research (NCVER) suggests that, in 2005, overall, reported RPL accounted for 3.5% and 2.9% of subject completions and subject results. The RPL rates among students doing rural production (2.2% and 2.0%) or agriculture courses (2.3% and 2.0%) were considerably lower than the overall rates. However, there are other areas of study where this is also the case.

NCVER research shows that there are a number of factors that act as deterrents to the uptake of RPL (Bateman and Knight 2002; Bowman et al 2003; Smith 2004). However, these factors are not specific to agricultural industries. They can equally be applicable to other industry sectors.

Examples of factors that impede the uptake of RPL include:

- complexity of the RPL process;
- individuals' lack of awareness and understanding of RPL;

- costs related to administration of RPL by providers and gathering and documenting evidence by the individual; and
- concerns about the outcomes gained through RPL due to the quality and validity of the assessment process.

In order to improve the practice and uptake of RPL, the Council of Australian Governments (COAG) agreed that all RTOs and assessment centres which receive public funding will have a contractual obligation to offer all workers entering training a quick and simple process to recognise their existing skills. This contractual obligation, which makes transparent the existing requirements under the Australian Quality Training Framework (AQTF) Standards, will be introduced by 1 January 2007.

COAG also agreed to establish a joint three year Australian Government, State and Territory RPL programme from 1 July 2006 to build the training system's capacity to deliver quality RPL and drive good practice. The programme will assist RTOs and assessment centres to provide streamlined skills assessment and recognition processes and assist individuals and employers to access better information about RPL.

DEST is coordinating the implementation of the RPL programme. Further information on progress with the programme is provided in the response to question 11.

### 11. What would be the strengths and weaknesses of DEST funding a group of dedicated assessors for the specific purpose of recognising prior learning?

DEST is not proposing to fund a group of assessors for the specific purpose of recognising prior learning, although some projects funded under the National Skills Shortages Strategy have covered this purpose.

As part of the February 2006 Council of Australian Governments (COAG) decision, DEST is currently working on a three year RPL programme with the States and Territories to support the delivery of quality RPL and promote good practice. This programme will support new initiatives and build upon existing initiatives in RPL arrangements in the States and Territories.

The Australian Government, through DEST, will provide funding to the States and Territories for the RPL programme over three years. Funding to the States and Territories will be based on their percentage of Australia's working age population. States and Territories will provide matched funding for projects under the RPL programme.

DEST has received proposals from the States and Territories for projects to be funded under the RPL programme. One of the key projects identified in the proposals is ongoing professional development of assessors which is seen as vital to improving the practice and/or uptake of RPL and to ensuring the confidence of employers and individuals in the RPL process. Examples of strategies for this project area include the development of holistic assessment and mapping of RPL skills for assessors and establishment of assessor networks to share resources and good practice approaches to RPL delivery. It is expected that projects will be assessed, negotiated and agreed between DEST and the States and Territories by 30 September 2006.

### 12. Transcript, 9 March 2006, Cotton Catchment Communities Cooperative Research Centre:

**Prof. Gregg**—DEST has apparently made a decision that certificate courses—that is, four-unit courses at undergraduate level—are not to be considered approved higher education awards and, therefore, will not attract HECS funding. We in the cotton CRC have our cotton certificate. It is based on four units, and so it is now under that regulation and no longer attracting HECS funding...On the other hand, we are getting quite a lot of people doing both the cotton certificate and the grain certificate, which is modelled on the cotton certificate, and coming out with qualifications relevant to both those industries. But, on the other hand, I think we are losing a lot of people.

### What was the rationale behind the decision that four unit courses at undergraduate level not be considered approved higher education awards?

Funding for Commonwealth supported places (previously known as HECS places) is provided through the Commonwealth Grant Scheme (CGS) under the *Higher Education Support Act 2003* (HESA). Under HESA, an eligible course of study is a course leading to a higher education award or an enabling course. A higher education award is any award specified as a higher education award under the Australian Qualifications Framework (AQF).

Certificate level courses are accredited as vocational education and training sector awards under the AQF and are therefore not eligible for CGS funding under HESA.

#### 13. The DEST submission states that:

To support the provision of quality education and training in rural areas, affordable and adequate bandwidth needs to be available at least to education institutions and preferably to the student's home desktop. The Australian Government has to date invested some \$80 million in high bandwidth capacity, both nationally and internationally, for Australian universities and research institutions.

## What further developments have there been with the provision of high bandwidth capacity, under the Australian Research and Education Network, to education institutions and student home desktops.

All metropolitan and most regional campuses are now directly connected to the Australian Research and Education Network (AREN). Where gaps exist in connectivity, such as for WA regional campuses in Bunbury, Geraldton and Kalgoorlie, discussions between AARNet (the manager and operator of AREN), state governments, universities and/or DEST are underway in an attempt to resolve these.

DEST is discussing with the Department of Communications, Information Technology and the Arts potential funding under the Connect Australia program to enable adequate bandwidth to homes, and hence to students. There may also be some scope to fund joint projects which will provide better connectivity to a number of regional campuses.

#### 14. What progress has been made with the Skills Passport project?

In 2004 DEST funded a national strategic project with the former Australian National Training Authority (ANTA) titled 'Development of a Strategy to support the Universal Recognition of Employability Skills', which found that a skills portfolio model should be applied to the schools, higher education, VTE and community sectors.

DEST subsequently funded Education.au to develop and trial an employability skills eportfolio prototype designed to match the look of the my future website during 2005. The Australian Government provided funding of \$200,000 for the development of this e-portfolio trial.

The trial e-portfolio enabled each student to record his or her employability skills and create a tool to collate skills and achievements. The e-portfolio website was trialled in SA and the ACT with adjustments made in response to trial outcomes.

Implementation options are being considered alongside other significant employability skills activities including the embedding of the Employability Skills Framework into training packages and issues raised about how to recognise employability skills in school students in the consultation on the possible introduction of an Australian Certificate of Education.









































