

## Chapter 5

### Education and Training Pathways

#### Introduction

5.1 Multiple training pathways are important to cater for the diversity of individual's preferences and circumstances and to enable individuals to maintain lifelong employability, in an environment where jobs, occupations and workplaces and the associated skill requirements, are continually being transformed. The development of multiple pathways is one of the five guiding principles of Australia's training reform agenda with the broad support of all stakeholders, including governments of different political persuasions.<sup>1</sup>

5.2 Diverse and flexible pathways for skills formation are also vitally important for industry to be able to develop and maintain a skilled and adaptable workforce. Many industry sectors now need to adopt a vertically integrated approach to skills development, drawing on skills from across education sectors.<sup>2</sup>

5.3 This chapter briefly examines the adequacy of some of the current arrangements for providing individuals and industries with 'seamless pathways' for skill formation. The main issues to be considered in this chapter (although sometimes in a cursory way) are:

- schooling as a preparation for further education and employment throughout life;
- VET in schools programs;
- career advice for students;
- school to work transition;
- pathways to New Apprenticeships;
- pathways between VET and higher education; and
- pathways for upskilling and reskilling the existing workforce.

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1 CEET, Selby Smith C and Ferrier F, *CEET's Stocktake of the Economics of Vocational Education and Training*, Monash University – ACER, Centre for the Economics of Education and Training, August 2000, Working Paper no 28, p. 4

2 Submission 94, Victorian Government, p. 26

## School as a foundation for further learning and employment

5.4 A key objective of school education is to provide the foundation knowledge, skills and attitude that individuals require as the basis for further learning and employment, and to fully develop their talents and capacities.<sup>3</sup>

5.5 The Adelaide Declaration on National Goals for Schooling in the Twenty-First Century agreed by MCEETYA in 1999, sets out a number of expectations of what students should have achieved by the completion of their schooling as a means of achieving that overarching objective. These include:

- the capacity for, and skills in, analysis and problem-solving and the ability to communicate ideas and information, to plan and organise activities and to collaborate with others;
- employment related skills and an understanding of the work environment, career options and pathways as a foundation for, and positive attitudes towards, vocational education and training, further education, employment and life-long learning, gained in part by participation in programs of vocational learning; and
- numeracy and English literacy skills.<sup>4</sup>

5.6 The role and effectiveness of school education in preparing young people for further education and training and employment is a major issue, an assessment of which goes well beyond the scope of this inquiry. However the committee wishes to acknowledge some specific issues in relation to school education which were raised during the inquiry and which merit further consideration.

5.7 Basic skills of literacy and numeracy are, of course, of fundamental importance and are the focus of significant policy and program development in Australia. Several submissions and witnesses argued for better outcomes in this area. The Dusseldorp Skills Forum pointed out that while Australia's overall performance in this area is very good by international standards, there is a 'very long tail' of students who perform very poorly.<sup>5</sup> Schools are also seen to under-estimate the literacy and numeracy requirements associated with training for many traditional trades and other practical vocations, including the importance of an understanding of mathematical and statistical concepts and interpretation of complex instructions.<sup>6</sup> This is contributing to the smaller pool of suitable applicants for apprenticeships and the current non-completion rates for many New Apprenticeships.<sup>7</sup>

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3 MCEETYA website: [www.curriculum.edu.au/mceetya/nationalgoals/natgoals.htm](http://www.curriculum.edu.au/mceetya/nationalgoals/natgoals.htm)

4 *ibid.*

5 Dr John Speirings, Dusseldorp Skills Forum, *Hansard*, Sydney, 6 May 2003, p. 875

6 Submission 103, Australian Mathematical Sciences Institute, p. 1

7 *ibid.* p. 2

5.8 Local organisations in West Melbourne concerned with youth transition issues maintained that all education, training and vocational programs should give the highest priority to literacy, and have access to whatever expertise and resources are needed to achieve sound outcomes. They also pointed to the need for more attention to meeting diverse learning styles of individuals, including marginalised students, and for more applied approaches to numeracy to meet the needs of some students.<sup>8</sup> According to one witness:

... unless we actually link the maths curriculum to applied learning, young people are going to fall through gaps there as well.<sup>9</sup>

5.9 Witnesses also raised the need for more diversity and flexibility in the basic framework for school education, including scope to allow an additional year to complete 12 years of schooling,<sup>10</sup> the option of senior secondary colleges, which allow for more adult learning principles and environment,<sup>11</sup> mentoring of those at risk of early school leaving,<sup>12</sup> and the option to complete school education through TAFE or community and adult education avenues, which is not possible in all jurisdictions at present.<sup>13</sup> Many of these considerations are taken up by current policies relating to VET in schools and youth transition, which are discussed in a following section.

5.10 For a minority of students, the best educational outcome involves leaving school in years 10 or 11 to pursue a VET qualification. Yet current school policy appears to emphasise school retention rates (and in some cases, university entrance scores) as the sole measure of successful youth transition and school performance. One witness summarised the outcome thus:

We believe one of the major reasons why we have high youth unemployment rates is because these young people have left the school system early in frustration and have a very negative perception of future education and training, and they are inevitably poorly qualified to move into skill career paths and quite often drift into long-term unemployment... [But] if a school lost a number of students at, let us say, year 11 into apprenticeships it would be seen as underperforming because its year 12

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8 Submission 62 Maribyrnong/Moonee Valley Local Learning and Employment Network (LLEN). Melbourne's West Area Consultative Committee (ACC) and Western Region Economic Development Organisation (WREDO), p. 7

9 Ms Sue Fowler, Executive Officer, Maribyrnong/Moonee Valley LLEN, *Hansard*, Melbourne, 16 April 2003, p. 593

10 Submission 62, Maribyrnong/Moonee Valley LLEN, Melbourne's West ACC and WREDO p. 7

11 Ms Sue Fowler, Executive Officer, Maribyrnong/Moonee Valley LLEN, *Hansard*, Melbourne, 16 April 2003, p. 596

12 Mr Michael Iaccarino, Executive Officer, Melbourne's West ACC, *Hansard*, Melbourne, 16 April 2003, p. 596

13 Ms Sally Jeremic, Senior Policy Adviser, Office of VET, Department of Further Education, Employment, Science and Training South Australia, *Hansard*, Adelaide 12 June 2003, p. 1061

retention rates would drop. So the education system is not sending the correct messages in terms of what is acceptable.<sup>14</sup>

5.11 While much of the evidence to the inquiry pointed to the importance of twelve years of schooling in laying the foundations for lifelong learning and employability, and TAFEs are said to be ill-equipped to absorb a large number of younger students without extra support for the required pastoral care, the committee believes that school students who are otherwise at risk of early school leaving should be given the option of entry to a New Apprenticeship in a field that provides a skilled vocational outcome.

5.12 The committee notes anecdotal evidence that those who start an apprenticeship in the traditional trades at an earlier age, are also likely to remain committed to their trade as a long-term career. This may have the added benefit of reducing the current high attrition rates for the trades, which are also contributing to skills shortages.

5.13 The committee agrees that school retention rates are not appropriate as the *sole* measure of success in achieving target education and training outcomes for young people. Policy and practice needs ensure that students leaving before year 12 and gaining an 'equivalent VET qualification' are also counted as successful outcomes. This may require adjustments to current record keeping systems and is a further case in favour of introducing systems to track pathways from year 10 through further education and training, as discussed in the section on a pathways between vocational and higher education. In the meantime, schools need to ensure that students intending to follow a VET pathway are properly advised on the range and level of pre-requisite subjects at school.

### **Recommendation 37**

**The committee recommends that the MCEETYA Task Force on Transition should consult with TAFE about the particular literacy and numeracy requirements of current vocational training, including for emerging industries and traditional trades, and how schools could best provide these to students planning to follow VET pathways on completion of school.**

### **VET in Schools: a pathway to further education and employment**

5.14 Some issues related to VET in schools were discussed in the previous chapter on the VET framework. This section briefly examines a number of issues related to VET in schools as a pathway to employment and further education. No attempt is made to provide a thorough analysis of the VET in schools program, given the complexity of the issue, the breadth of this inquiry's terms of reference and the inquiry by the House of Representatives committee into the topic.

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14 Mr Tony Coppola, Executive officer, Northern Area Consultative Committee, *Hansard*, Melbourne, 16 April 2003, p. 595

5.15 'VET in schools' refers to school-based VET programs that provide students with the opportunity to gain credit towards the senior secondary certificate while at the same time gaining a national industry recognised qualification or credit towards this qualification. Under the current policy framework for VET in schools, programs are commonly based on national Training Packages and are expected to be delivered to the standards set out in the AQTF.<sup>15</sup> In addition to programs that meet these criteria, schools usually offer a range of work experience or 'taster' programs that allow students the opportunity to gain a 'taste' or insight into the requirements of working in various careers.

5.16 Growth of VET in schools programs has been significant, with DEST reporting that the number of students participating in VET in schools as part of their senior secondary certificate grew from 60,000 in 1996 (16 per cent participation) to 169,809 in 2001 (41 per cent participation).<sup>16</sup>

5.17 The 'VET in schools' program has multiple objectives. One is to respond to the education needs of the significant group of students who, while staying on in Years 11–12, are ill-suited to the traditional senior secondary academic curriculum.<sup>17</sup> In the past some of these students may have attended specialist technical high schools or colleges which previously provided a pathway into careers in the traditional trades, technician or associate professional levels. These schools have now closed in most jurisdictions.

5.18 More broadly, however, consistent with the national goals of schooling, VET in schools programs are intended to provide all students with the opportunity to develop an understanding of the range of available career opportunities, develop their employability skills and attributes and gain an understanding of the requirements of the workplace. According to Group Training Australia, VET in schools programs can help to bridge the gap between school and work, by exposing young people to the workplace and to the culture of work and assisting in the development of vocational skills. They can also promote more effective learning and school retention by providing a context in which many young people can apply the knowledge they acquire in the classroom.<sup>18</sup> Witnesses also noted the value of 'taster' programs in allowing students to sample employment options and thus make more informed career choices.

5.19 There are indications from the evidence to this inquiry that the VET in schools program is not yet meeting the objectives of providing a suitable alternative to an academic program, a pathway further education and employment or a sound foundation of employability skills.

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15 Submission 57, Department of Education, Science and Training (DEST), p. 31

16 *ibid.* p. 31

17 Submission 29, Group Training Australia, pp. 20–21

18 *ibid.*

5.20 VET in schools options are often currently an ‘add-on’ to the mainstream academic program, thus failing to address the needs of those students who are more suited to an applied learning style. An interesting experiment is underway in Victoria with the introduction of the Victorian Certificate of Applied Learning (VCAL), where the academic curriculum is integrated with the VET curriculum, enabling students learn to English, maths and other subjects through an applied learning program.<sup>19</sup> The committee was told that such alternative pathways need to be more broadly promoted, within the VET in schools framework, as an alternative learning style with a parity of esteem with academically oriented school pathways. The committee agrees that it will be important to monitor the outcome of this initiative, as a guide to possible further developments in other jurisdictions.

5.21 There was also a view that the focus of many VET in schools programs is currently too narrow, being concentrated in too few occupations and that the content of programs may not always reflect contemporary and changing industry needs. As AiG commented, ‘There is no point providing learning opportunities for young people if the outcomes of these learning opportunities are not relevant to the workplace by the time the young person makes the transition from school to work.’<sup>20</sup> According to AiG, the introduction of programs outside of the training package framework could broaden the range of occupations for which schools could provide training. If this were to occur, there would need to be provision for students completing these courses to gain credit towards an AQF qualification in a training package, a school certificate and tertiary entrance score if appropriate.<sup>21</sup>

5.22 VET in schools programs also need to ensure that they give appropriate weight to the development of students’ employability skills.<sup>22</sup> There may even be value in making some provision for assessment against employability skills to articulate into training package qualifications.<sup>23</sup> Mathematical skills and literacy skills must not be neglected, because of their fundamental importance as a foundation for further education, including in many vocational and academic courses.<sup>24</sup>

5.23 The AiG and EEASA called for a broader range of program offerings in areas of skill shortage, including the traditional trades, in place of the current concentration in areas such as business studies, hospitality and retail. While the committee believes that the content of VET in schools programs should primarily be driven by the needs of students rather than immediate and perhaps localised, industry needs, it agrees that

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19 Submission 94, Victorian Government, p. 16

20 Submission 74, Australian Industry Group (AiG) and Engineering Employers Association of South Australia (EESA), pp. 29–30

21 *ibid.* p. 30

22 Mr Robert Smillie, Council member, CEOs Council of Victorian TAFE Associations, *Hansard*, Melbourne, 16 April, p. 570

23 Submission 74, AiG and EESA, p. 30

24 Submission 103, Australian Mathematical Sciences Institute, pp. 1–3

the current range of offerings is too narrow and often dictated by funding considerations. This limits the scope to provide pathways to employment for some students. Policy and funding frameworks need to support the inclusion of a broader range of programs, which will often require stronger links between schools and the full range of local industries.

5.24 The committee observes that there are a number of good VET in schools models that appear to balance the competing needs for a sound foundation in general skills, with quality vocational education and direct pathways to employment and further education and training. These include models such as the T3 program in the automotive industry, which provides students with the opportunity to attend school several days a week, attend TAFE for one day and work in the industry for one day a week, under the framework of a New Apprenticeship. Positive features of this program, and a number of other models, include the capacity for the VET studies to provide credit for a school leaving certificate, articulation into a New Apprenticeship at a higher qualification level and credit for university entrance in some cases.

5.25 Partnerships between local industries and the three education sectors also provide a valuable means of promoting greater links between VET in schools and quality and relevant education and pathways to employment. There was much evidence in support of the key role that learning and education networks of schools, local Chambers of Commerce and Industry, TAFE and other community and education representatives could play in identifying skill shortages and needs and integrating this information into local education and training. While this is occurring under several frameworks at present, including the Local Learning and Employment Networks in Victoria and 'Youth commitment' or similar groups in New South Wales and other states, there is no national approach to encouraging and supporting these partnerships, particularly now that the Enterprise and Career Education Foundation, which had a specific mission of promoting these partnerships, has been disbanded.

5.26 The committee also heard much evidence in support of providing students with opportunities to learn about the nature of industry and the world of work as early as possible, and at least from years 8 and 9 onwards. Early exposure to the world of work can help students to make better judgments, on reaching year 11, about their interest in VET in schools programs and career preferences. It may also help to improve the motivation and focus of some students: a number of educators report that engagement with school can often increase dramatically once students begin to see a purpose for their school studies.

5.27 Finally, the committee notes that many witnesses from schools complained about the high cost of providing quality VET in schools programs and indicated that current funding levels and arrangements often compromise their capacity to provide these programs. This was also identified as a major issue by the Department of Education and Training in WA which noted that ANTA MINCO is due to consider the future funding arrangements for VET in schools beyond 2004.

## **Comment**

5.28 Evidence to the inquiry highlighted the important role that VET in schools can, and sometimes does, play in providing a pathway from school to work and the many good models, but also variable practice across Australia, as well as the constraints on improved practice. The committee considers that there is significant potential for VET in schools to provide a clearer and more effective pathway to further education and employment, with appropriate improvements in quality, relevance, flexibility and breadth of programs. The committee believes that the policy and funding framework for VET in schools must cement and support it as an important part of the mainstream school experience and the Commonwealth must provide a lead in promoting the adoption of best practice across all jurisdictions. Industry also needs to play an active role in promoting the value of involvement with schools to its members.

### **Recommendation 38**

**The committee recommends that the MCEETYA Task Force on Transitions should support the funding and development of mechanisms to help schools provide opportunities for all students, from years 8 and 9 onwards, to learn about the nature of industry and the world of work through workplaces visits so that they can make informed choices about future education and careers.**

### **Recommendation 39**

**The committee also recommends that the Commonwealth and states and territories support the establishment of local networks of schools, industry associations and representatives, the VET sector and higher education sector and the community, to help link vocational education and training, both in schools and in the VET sector, with industry needs and to assist transition between school and employment or further education.**

### **Recommendation 40**

**The committee recommends that the MCEETYA should examine VET in schools models, such as the T3 model in New South Wales, and promote their value for traditional apprenticeship and other vocational training, with state and territory education authorities. Industry should also take responsibility for promoting the development and implementation of best practice models.**

### **Recommendation 41**

**The committee also recommends that ANTA develop, in conjunction with TAFE, industry bodies, schools and universities, programs based on the RMIT/Bosch model which combine school and apprenticeship training with an option for simultaneous progression to diploma, and that ANTA provides financial assistance for the national implementation of those programs.**



## Careers advice

5.29 Careers advice plays an important role in helping students to identify career opportunities and preferences, and the education and training pathways that may lead them to their goals. To perform their role effectively, career advisers should have skills in career counselling, access to up-to-date information on career paths and opportunities and associated education and training pathways, and the time to devote to personal guidance and support. Evidence to the inquiry indicates that there is a long way to go before all students have access to careers advice that meets these criteria.

5.30 While there is a wide range of high quality careers information now available to schools, students, and more generally the community, particularly through internet-based products and services provided by the Commonwealth,<sup>25</sup> complaints persist that students, teachers and career counselors often have inaccurate or outdated perceptions of career opportunities in the traditional trades and in industries such as manufacturing and engineering. The need for improved information on careers in these areas was a finding of many of the National Industry Skills Initiative (NISI) working groups, including for the engineering, electrotechnology, automotive and rural industries. Following on from NISI, these industries have developed interactive, multimedia materials to promote contemporary careers in their field, highlighting the increasing use of technology and computerisation within their core occupations.<sup>26</sup>

5.31 While it is probably too early to judge the effect of these initiatives in changing attitudes and perceptions, there appear to be still too many instances where careers advisers consciously or unconsciously dissuade students from careers that rely on vocational education and training pathways, including those in the traditional trades. This may reflect a lack of knowledge or a general bias in favour of a higher education pathway, which is claimed to be the case with graduate teachers. A representative of Group Training Australia told the committee that:

I do not think there is an attitude among careers advisers in schools that enthusiastically promotes the career offered by an apprenticeship as being a noble and honourable profession. That has to change not only among the careers advisers but also in the schools themselves. It also has to change within governments. If we started a marketing campaign directed at careers advisers and schools indicating that an apprenticeship in the traditional trades is a worthy and honourable profession and one that will make you a

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25 See DEST website: [www.dest.gov.au/directory/c\\_and\\_t.htm#Careers](http://www.dest.gov.au/directory/c_and_t.htm#Careers) for access to the main products available including: *My Future* website at [myfuture.edu.au](http://myfuture.edu.au) an interactive, online career exploration service, assisting people to explore skills and interests, career preferences, and education and training pathways; the *Job Guide* distributed by the Australian Government to all Year 10 students, with information about education and training pathways to approximately 1,000 occupations, to help people find out about careers; the 'Real Game' a career education and life skills programme that emphasises the importance of the skills students learn in all subjects to their life after school; and, other career information products.

26 Submission 57, DEST, pp. 33–34

living for a long time, we might start to turn the attitude around; but I think we have a long way to go.<sup>27</sup>

5.32 A similar bias was detected by the TAFE Directors Australia, which claims that schools often convey the impression that vocational pathways are for low achievers.<sup>28</sup> Some witnesses attribute this to a lack of teachers with a vocational background and industry experience.

5.33 Direct links between industry and schools were identified as an important means of improving the currency and relevance of careers information. This requires a commitment from industry as well as schools. One witness told the committee that while industry 'often bleats that the school system is not providing adequate career advice' it seldom engages with the school system to explain career paths and options to students. In contrast, IT companies 'are consistently at schools promoting their firms and their industries'.<sup>29</sup> The Australian Business Ltd submission agreed that industry needs to provide more support to careers advisers in secondary, vocational and tertiary institutions to assist them to identify and deliver timely resources and information on career options and post compulsory learning pathways.<sup>30</sup>

5.34 The inquiry was advised of several approaches to industry engagement with schools. The manufacturing industry in the Macarthur region of NSW has developed an apprenticeship recruitment strategy, including information kits illustrating career opportunities in the local region, and career progression and salary opportunities to target students directly, as well as parents, teachers and career advisers.<sup>31</sup> Local networks of education and training providers, employers, and the community sector, such as those established in Victoria under the Local Learning and Employment Network program and similar networks in Kwinana, Western Australia, also improve mutual understanding between schools and local industry, and better matching of students with local employment opportunities. These developments are all claimed to result in a better understanding among students of the breadth of career options and a higher take up of opportunities in local industry.

5.35 Even with access to industry advice, inadequate resourcing may limit the quality of careers advice. A study found that teachers, students and their parents in north Melbourne are unaware of skill career paths available in the local manufacturing industry and have little time to develop this knowledge:

Of the 45 secondary schools in the north of Melbourne, whilst each school had a careers teacher appointed, the reality was that they were very much

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27 Mr James Barron, CEO, Group Training Australia, *Hansard*, Sydney, 6 May 2003, p. 785

28 Submission 79, TAFE Directors Australia, p. 13

29 Mr Barry Cramond, CEO, Transport, Engineering, and Automotive Training Advisory Council, *Hansard*, Darwin Roundtable, 10 June 2003, p. 962

30 Submission 40, Australian Business Ltd, p. 8

31 Report of committee's visit to meet with Austool group, Campbelltown, NSW

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part time, ranging from two hours per week to 20 hours per week in the majority. There was only one that was full time, and only one of the 45 actually had training in career education qualifications.<sup>32</sup>

5.36 The situation in South Australia appears similar, although with variations across schools and school sectors. Few schools have full-time paid career counsellors, with the responsibility often falling on student counselors or other teachers with the interest or 'spare' time, perhaps amounting to only for two or three lessons a week.<sup>33</sup> Northern Territory witnesses also reported a lack of formal training or professional development for careers advisers and limited opportunities for teachers to develop an understanding of industry requirements.<sup>34</sup>

5.37 There was also a strong message that career advice needs to go beyond brokering information on career opportunities and training pathways. Students need to be encouraged to think more broadly about building skills for careers in an unknown future and to develop the skills and attitudes that underpin life long learning and active career management.<sup>35</sup> This implies the need for appropriate professional training and development for careers advisers.

5.38 According to Mr Jeff Friday of Group Training Australia, as alternative, and perhaps more cost effective approach to developing professional career guidance services in schools is to outsource the function to industry or other specialists. The *Connexions* initiative in the UK,<sup>36</sup> an internet-based service which provides young people aged 13 to 19 years with access to confidential advice, support and information through the website, supported by phone contact, text, e-mail, webchat or access to personal advisers in the region, was suggested as a model.

5.39 A thorough assessment of the quality and availability of Australia's career services and information was recently undertaken by OECD as part of a comparative international study of career information guidance and counseling. The committee was told that the study found that while there were 'pockets of excellence' in career services in Australia, there were few guarantees of access to effective services, even for young people. Career advisers argued that this is not good enough:

...if we are to meet the needs for a highly skilled competitive labour force in Australia we believe that we need to develop a much stronger career

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32 Mr Tony Coppola, Executive Officer, Northern Area Consultative Committee, *Hansard*, Melbourne, 16 April 2003, pp. 590–91

33 Ms Pamela Fletcher, National Executive Committee Member, South Australian Division, Australian Association of Career Counsellors Inc, *Hansard*, Adelaide 12 June 2003, p. 1087

34 Mrs Gillian MacDonald, VET Coordinator, Casuarina Senior College, *Hansard*, Darwin roundtable, 10 June 2003, p. 961

35 Ms Christine Haines, Director Miles Morgan Australia, *Hansard*, Perth, 7 April 2003, p. 206

36 Connexions website: [www.connexions.gov.uk/](http://www.connexions.gov.uk/)

development culture and to make explicit people's entitlement to career development services throughout their lives.<sup>37</sup>

5.40 While the committee has not undertaken an assessment of the quality and availability of career advice services for Australian students, the evidence before it indicates significant gaps in both. The committee believes that all students are entitled to access to professionally trained and well-informed careers advisers (or teachers trained in this area). It commends the decisions by MCEETYA and the Commonwealth to examine ways to improve the quality and availability of career information services but believes that this work needs to be given high priority. The objective should be to ensure that all students have access to well resourced, well trained and well informed careers advisers and up-to-date information on the full range of career opportunities. The committee also supports the value of close links between schools and local industries and the community as part of an effective careers development and youth transition strategy. It calls on industry and schools to follow some of the excellent models around Australia and work more closely and collaboratively to develop a better mutual understanding of needs and opportunities. It also considers that careers development training should be integrated into the teacher training curriculum so that all teachers have some skills in providing careers guidance and all students have access to careers guidance.

#### **Recommendation 42**

**The committee recommends that all students should have access to professionally trained and well informed careers advisers, whether these are located in schools or are accessible through rotation, industry partnerships, or outsourcing arrangements. To facilitate this, MCEETYA should direct the task force examining career counselling issues to develop a set of national set of standards for career development services:**

- **in consultation with the Australian Association of Careers Counsellors and universities and TAFE institutes offering awards in career development;**
- **to require that all career counsellors are educated about the technical sophistication, challenges and career opportunities in industry today, and establish contacts with relevant local industry associations;**
- **to recommend that units in career development should be made available as part of the teacher training curriculum.**

**The committee also calls on employer peak bodies and industry associations to encourage their members to establish closer links with schools and career counsellors in particular, to ensure that they have access to accurate and up-to-date advice on the full range of career opportunities.**

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37 Ms Christine Haines, Director, Miles Morgan Australia, *Hansard*, Perth, 7 April 2003, p. 209

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## Transition between school and work

5.41 The transition from school to employment or further education and training has been the focus of policy attention by Commonwealth and state and territory governments over the past fifteen years. Employers are now seeking new entrants to the workforce with a broad base of generic skills and knowledge, relevant personal attributes and attitudes and the capacity to be quickly productive. To meet these requirements and those of lifelong learning and employability, 'twelve years of worthwhile learning is now the core benchmark society and governments must provide young people to ensure successful entry to active and responsible citizenship and productive work' and to economic and social independence.<sup>38</sup>

5.42 In 1991, the landmark Finn report recommended the following targets for increasing school and post-school participation rates by 2001, to place Australia among the best qualified of OECD countries:

- 95 per cent of 19 year old participating in or having completed year 12 or the equivalent level in vocational education and training; and
- 60 per cent of 22 year olds participating in or having completed education and training programs leading to the level of a trade certificate or higher to diploma or degree levels.<sup>39</sup>

5.43 However, despite a large number of policies, programs and other measures to improve youth transition in the intervening years, the committee was told that only 80 per cent of young Australians are currently estimated to achieve the goal of either completion of year 12 or equivalent VET, compared with 84 per cent in France, 88 per cent in Canada and the USA, 91 per cent in Germany, and 94 per cent in Japan.<sup>40</sup>

5.44 Those who fail to achieve these targets have significantly less chance of securing sustainable employment over the long term,<sup>41</sup> with significant costs both to them personally and to society: while only 7 per cent of all year 12 leavers are unemployed seven years after leaving school, the comparable figures for year 9 school leavers are 21 per cent for young men and 59 per cent for young women.<sup>42</sup>

5.45 The submissions from the Business Council of Australia and the Dusseldorp Skills Forum identified the need to achieve improved youth transition outcomes as perhaps the most important and pressing of skill formation challenge, for both equity

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38 Submission 44, Dusseldorp Skills Forum, p. 1

39 Allen Consulting Group, *Overview of Transition Programs*, Report prepared for the Business Council of Australia, January 2003, p. 5

40 Submission 44, Dusseldorp Skills Forum, p. 3

41 *ibid.* p. 4

42 Submission 18, Business Council of Australia (BCA), p. 1

and economic reasons.<sup>43</sup> The Dusseldorp Skills Forum argued that early school leaving not only diminishes the future prospects of the individuals concerned, it:

... has direct flow-on effect for the national economy. It deprives us of the foundations for skills formation and development necessary to drive the further productivity growth, increased consumer base and human capital critical to delivering the next phase of economic transformation...The impact on Government is evident in the recent assessment of the intergenerational obligations of taxpayers produced by the Treasurer. That assessment identifies a potential \$87 billion black hole in federal spending by 2041-42. An ageing population, a growing health care and income support bill, and low fertility rates are “likely to impose a higher tax burden on the next generation.”<sup>44</sup>

5.46 The Business Council of Australia made a similar argument.<sup>45</sup>

5.47 Reasons for early school leaving without entry to a vocational education or training program or ‘decent’ sustainable employment include inadequate development of literacy and numeracy skills during the early years of schooling,<sup>46</sup> poor performance or dislike of school,<sup>47</sup> an inflexible range of courses and education styles and family or social problems, particularly for marginalised or disadvantaged youth. A related concern is that some of those currently completing 12 years of schooling are not developing their knowledge and skills during the last two years.<sup>48</sup> Evidence to the inquiry indicated that some young people who are unsuited to the standard school curriculum or environment, and disengage with school, may be less employable by the end of year 12, than they were at the end of year 10, because of poor attitude or behavioural problems.<sup>49</sup> As previously discussed, this underlines the need to focus on the value of a VET qualification as an alternative to school completion for some students. The Dusseldorp Skills Forum also points out that the 12 years of ‘worthwhile learning’ is not only school education, but can include vocational education and training or ‘decent work’, defined by the International Labour

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43 Submission 18, BCA, p. 1; Submission 44, Dusseldorp Skills Forum

44 Submission 44, Dusseldorp Skills Forum, p. 4

45 BCA, *The Cost of Dropping Out: the Economic Impact of Early School Leaving*, January 2003, p. 8

46 Submission 62 Maribyrong/Moonee Valley LLEN, Melbourne’s West ACC and WREDO, p. 7

47 *Young Persons’ Education, Training and Employment Outcomes with Special Reference to Early School Leavers*, A report prepared for the BCA and Dusseldorp Skills Forum, October 2002, p. 28

48 *ibid.*

49 Record of meeting, site visit, Hunter Valley Training Company, 15 July 2003, East Greta Junction, Maitland

Organisation to refer to sustainable, productive work in conditions of freedom, equity, security and human dignity.<sup>50</sup>

### *What is being done*

5.48 A January 2003 study for the Business Council of Australia acknowledged that policy makers and practitioners in Australia are seriously grappling with the issues associated with youth transition<sup>51</sup> and reviewed current initiatives against the criteria established by the OECD and other relevant criteria.

5.49 Initiatives reviewed by the study include:

- the May 2001 report of the Prime Minister's Youth Pathways Action Plan Taskforce *Footprints to the Future*, proposing a policy framework to support young people through school, and to further education, training, work and active citizenship;<sup>52</sup>
- the July 2002 declaration by MCEETYA members, *Stepping Forward – Improving Pathways for All Young People*, acknowledging a shared commitment and a joint responsibility and agreed to work in partnership towards implementing a shared vision for all young people and a set of principles and key areas for action;<sup>53</sup>
- Commonwealth funding of programs with a transitions focus, some of which are in response to *Footprints to the Future*, including the Career and Transition (CAT) pilots of innovative career information and advice for young and the Partnership Outreach Education Model (POEM) pilots for young people disconnected from mainstream schooling, as well as the Jobs Pathway Programme (JPP); the New Apprenticeships Access Programme (NAAP) and Indigenous Transition Initiatives;<sup>54</sup>
- the VET in schools program;<sup>55</sup> and

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50 Evidence from the BCA suggests that part-time and/or casual employment in low skilled jobs does not meet the requirement of providing the sort of decent work that forms an alternative to formal education and training in developing the foundation skills for sustainable employment (Submission 18, BCA, p. 1)

51 Allen Consulting Group, *Overview of Transition Programs*, Report prepared for the Business Council of Australia, January 2003, p. 1

52 Pathways website: [www.youthpathways.gov.au/documents/k154\\_100701.htm](http://www.youthpathways.gov.au/documents/k154_100701.htm)

53 MCEETYA, *Stepping Forward, Improving Pathways for All Young People*, [http://www.curriculum.edu.au/mceetya/stepping\\_forward.htm#action](http://www.curriculum.edu.au/mceetya/stepping_forward.htm#action)

54 DEST website: [www.dest.gov.au/directory/c\\_and\\_t.htm#Transitions](http://www.dest.gov.au/directory/c_and_t.htm#Transitions)

55 Allen Consulting Group, *Overview of Transition Programs, Report Prepared for the Business Council of Australia*, January 2003, p. 11

- the availability in most jurisdictions of some transition programs and a focus on broadening the purpose of post-compulsory years of education and training for those in the fifteen to nineteen year old age group.<sup>56</sup>

### ***What is still needed***

5.50 The BCA study found current programs, while generally worthwhile, fail to address the need for more effective cross-government collaboration, genuine local community accountability, meeting the resource-intensive needs of early school leavers and improved engagement with schooling in the early secondary years.<sup>57</sup> Many current arrangements also rely too heavily on pilots or programs outside mainstream arrangements, ‘thus putting their sustainability and funding at risk.’<sup>58</sup>

5.51 The BCA developed a proposal for a continuing and systematic effort to identifying and assisting young people at risk of leaving school early, lifting the literacy and numeracy skills of those in the early years of school and ensuring that half of all school leavers are able to participate in education and training to year 12 equivalent.<sup>59</sup> Economic modelling reportedly indicates that the proposal, if implemented, would reduce GDP initially but lead to increases of 28 per cent of GDP (\$1.8 billion) by 2020.<sup>60</sup> The committee was told that the BCA raised this proposal with the Commonwealth during the recent budget consultations.<sup>61</sup>

5.52 The Dusseldorp Skills Forum also put a proposal for an improved transition framework to the committee, and to the Commonwealth in the budget context. The Forum urges the Commonwealth government to commit to increasing the ‘year 12 or equivalent’ completion rate from the current 80 per cent to 90 per cent, over the next five years, through a combination of policies to encourage early leavers to stay on at school, assisted by alternative learning programs within and alongside school, and support those who leave school early. The proposal is for a shared Commonwealth-state support for:

- a *first chance strategy* to achieve a Year 12 or equivalent qualification through school or a VET based pathway such as TAFE, Adult & Community Education (ACE) or an apprenticeship;
- a *second chance strategy* to re-engage early leavers in learning to achieve a Year 12 or equivalent qualification, generally through school or VET;

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56 *ibid.*

57 *ibid.* p. 22

58 Submission 18, Business Council of Australia, pp. 2–3

59 *ibid.* p. 2

60 *ibid.* p. 3

61 Mr Eric Sidoti, Senior Consultant, Dusseldorp Skills Forum, *Hansard*, Sydney, 7 May 2003, p. 874



- personal advice and support for each and every early school leaver to enable them to make a successful transition;
- co-ordinated local community partnerships to maximise and better use existing resources; and
- introduction of targeted labour market assistance, mainly employer subsidies, job creation and relevant training, to provide a better start in the labour market for the smaller number of young people remaining outside education or training.<sup>62</sup>

5.53 The Forum acknowledges that this will require a commitment by Commonwealth, state and territory governments to a national strategy backed by the necessary resources and will involve schools, training providers, higher education, employers and employment assistance providers. Bilateral framework agreements will be needed between the Commonwealth and those state or territory governments willing to collaborate in delivering this ‘youth commitment’. Oversight of the agreements could be provided by an independent agency with an appropriate mandate and responsibilities.

5.54 The estimated cost of this proposal over 6 years, with all jurisdictions participating, would be \$2296 million to be shared on a 60:40 basis between the Commonwealth and the states.<sup>63</sup> According to modelling done for the Forum, the benefits to individuals, employers and the rest of society are estimated as being in the range of \$4.6 billion to \$8.2 billion, with the proposal being cost-neutral to governments if 25 per cent of these benefits are captured through taxation.<sup>64</sup>

5.55 In a public hearing, Forum representatives explained why the current government strategies fall short of meeting the required outcomes and why a more structured, systematic and integrated approach, as in their proposal, is needed. First, the current arrangements do not address the jurisdictional problems associated with conflicting or overlapping state/territory and Commonwealth responsibilities. A more joined-up system is required to link Job Network with schools, career counseling, job search training and the Job Pathways program and the Commonwealth needs to provide the policy leadership, negotiation and coordination of the on the ground effort required to achieve outcomes.

5.56 Second, the Forum estimates a shortfall of around \$2.3 billion between current levels of investment and those required to provide the education and training, apprenticeship incentives, intensive support for young people and labour market support that will be required to achieve a 90 per cent target.

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62 Submission 44, Dusseldorp Skills Forum, p. 5

63 *ibid.* p. 5

64 *ibid.* pp. 7–8

5.57 Third, they argue that the current programs and policies do not provide the intensive, structured long term support through and beyond schooling that some young people need to make a successful transition.<sup>65</sup>

5.58 The since disbanded Commonwealth funded Enterprise and Career Education Foundation (ECEEF) also advised the committee that, while many of the key elements of an effective career transition system are in place, ‘there is still more to be done to integrate currently disconnected components into a more holistic system.’<sup>66</sup> Overlap and duplication across the ‘myriad of youth related programs addressing education, social and economic development and justice issues’ is a key issue.<sup>67</sup>

5.59 In response to questions from the committee, DEST advised that the Dusseldorp proposal was drawn to the attention of government in the recent budget context, but the Government decided to revisit the issues in that proposal ‘in the broader context of considerations of what the government’s arrangements for transitions are at the moment.’<sup>68</sup> In DEST’s view, the current policy framework and initiatives represent a coherent strategy for dealing with youth in transition and assisting young people to complete year 12 or an equivalent qualification.<sup>69</sup>

5.60 The committee acknowledges the efforts of the Commonwealth and other jurisdictions to improve youth transitions. However the evidence put before it indicates the need to go further and adopt a more systematic and integrated approach if further progress is to be made in increasing the number of young people completing 12 years of school or equivalent vocational education and training within the next five years. The development of some specific strategies and structures, such as those set out in the work of the Dusseldorp Skills Forum and the Business Council of Australia, is urgently needed. The committee also believes that an entitlement to 12 years of schooling or equivalent vocational education and training should extend to people who have left school, including unemployed young people under the age of 21. In place of a requirement for participation in Work for the Dole or other programs, these young people must have access to education and training programs that will lead to a basic or higher vocational education qualification, or full-time ‘decent’ employment. The evidence to the committee indicates that this will lead to better outcomes for those individuals, and generate significant economic benefits in the longer term.

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65 Dr John Spierings, Research Strategist, Dusseldorp Skills Forum, *Hansard*, Sydney, 7 May 2003, pp. 880–81

66 Submission 77, Enterprise and Career Education Foundation, p. 4

67 *ibid.* p. 11

68 Mr Anthony Greer, Group Manager, Transitions and Indigenous, DEST, *Hansard*, Canberra, 15 August 2003, p. 1202

69 *ibid.* p. 1203

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**Recommendation 43**

**The committee recommends that the Commonwealth and the state and territory governments make a joint commitment to significantly increase the proportion of young people completing year 12 or equivalent vocational education and training, within the next five years. This will require them to adopt formal agreements to implementing a more systematic, integrated and comprehensive approach to youth transition, featuring more intensive support and stronger safety nets and backed up by significantly increased resources.**

**DEST should report each year on the proportion of young people achieving these outcomes.**

**Recommendation 44**

**Consistent with its view that all young people should have a right to 12 years of school education or equivalent VET or decent full-time employment, the committee recommends that all young people under 21 who have not achieved this outcome, should have access to transition arrangements including career counselling to reconnect them with education or into full-time employment consistent with their needs and interests. The entitlement to this form of assistance should over-ride any other policy frameworks relating to unemployment assistance, such as Work for the Dole, or other requirements for certain unemployed people.**

## **Pathways to New Apprenticeships**

5.61 New Apprenticeships potentially provide a valuable pathway between school and sustainable employment, via a combination of vocational education and training and employment. However, some studies have shown that employers consider up to 75 per cent of applicants for New Apprenticeships in the traditional trades as unsuitable,<sup>70</sup> because they lack the employability skills or the capacity to be immediately productive.

5.62 Pre-apprenticeships and pre-vocational programs can help to overcome this barrier by providing a pathway between school and a New Apprenticeship. The AiG and EEASA advised the committee that many of its members in the manufacturing sector support the idea of pre-apprenticeship training, as an effective way of providing a technical and general preparation for work. Pre-apprenticeship training ‘would assist in establishing another pathway to skill formation.’<sup>71</sup>

5.63 The Tiwi Islands Training and Employment Board also identified the value of accredited training which enhances skills and creates pathways to apprenticeships, in a

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70 Dumbrell T, *Pathways to Apprenticeships*, NCVET 2003, p. 5

71 Submission 74, AiG and EESA, p. 32

broad range of fields from child care, health care to welding and small engine mechanics and computer operations. The Northern Territory Government's Flexible Response Fund has funded this type of training in the past but the committee was told that the program has been frozen for several months and 'it is unclear when it will be available again'. As a result, no courses of the type required have been conducted in 2003.<sup>72</sup>

5.64 A recent NCVET study found that pre-apprenticeships can be an important component in a range of policies designed to encourage greater participation in traditional trade training. In particular it found that they have:

the potential to act as quasi-labour market programs for young people who lack educational direction in the academic environment and who are in danger of leaving education and training at too early a stage. Such an approach could be equally effective if applied on a regional basis, targeting areas identified as having persistent youth unemployment problems.<sup>73</sup>

5.65 The study found that there is currently no reliable method of reporting on the number of pre-apprenticeship programs and that they are not widely known in the community or among career advisers, with very limited financial support options for most participants.<sup>74</sup> It also recommended improved national level coordination, consistent definitions and data collection as part of the overall New Apprenticeship strategy and better information for schools and others advising potential applicants.<sup>75</sup>

5.66 The committee notes that evidence cited in the chapter on funding and above, indicating that these sorts of programs have been wound back in recent years, mainly due to funding pressures. Other factors contributing to the demise of pre-apprenticeships are the priority given to funding New Apprenticeships and the introduction of alternative 'bridging' or preparatory programs such as VET in schools. The committee reiterates its view on the importance of additional funding and more diverse accountability measures, which would enable states and territories to increase the range of pre-apprenticeship programs. The committee also considers that states and territories should give appropriate priority to funding pre-apprenticeship training programs.

## **Recommendations                      45**

**The committee recommends that the Commonwealth and states and territories recognise the special role that pre-apprenticeship training can play as another pathway between school and further education and training, and employment for young people and make funding available to support such training. The**

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72 Submission 97, Tiwi Islands Training and Employment Board, Attachment

73 Dumbrell, *Pathways to Apprenticeships*, NCVET 2003, p. 6

74 *ibid.*

75 *ibid.*

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**committee also recommends that the Commonwealth and states and territories should consider the availability of pre-apprenticeship training as part of a VET in schools program.**

## **Pathways between VET and higher education – and back again**

5.67 Improving the pathways between schools, VET and higher education is a priority for the national strategy for VET for 2004. It also emerged as an important issue during the inquiry from a range of perspectives and for a range of reasons. These include:

- enhancing the appeal of VET by providing greater opportunities to gain credit for skills and qualifications gained in that sector, towards higher education;
- recognition that an increasing number of careers or occupations require a mixture of ‘head and hand’ or vocational, academic and general skills;
- expanding access to higher education in recognition of the significant benefits that it can confer on graduates and the projected increase in demand for higher level skills in a knowledge economy;
- providing the skills continuum that many occupations, industries and professions require;
- providing better outcomes for the significant number of university students that do not complete their courses; and
- providing a foundation for lifelong learning consistent with the rhetoric of seamless pathways and the scope inherent in the Australian Qualifications Framework.

### **Issues**

5.68 Evidence to the inquiry suggests that the current prevailing emphasis on higher education, combined with limited articulation arrangements between VET and higher education, is adversely affecting interest in careers with vocational pathways, including some careers in the traditional trades. There is a perception that choosing a vocational pathway effectively closes off a higher education pathway at a later date because of the limited credit given for VET studies.<sup>76</sup> Thus in high school, students who are interested in a VET pathway but also wish to retain the option a higher education pathway may be forced to make a ‘fork in the road’ choice: to either focus on subjects with the best chance of securing university entry<sup>77</sup> or to follow a VET pathway and possibly compromise their chances of gaining university entrance. Those who pursue the academic pathway but are unsuccessful in gaining entry to university, often lose the opportunity for an accelerated pathway to VET qualifications.

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76 Submission 40, Australian Business Limited, p. 8

77 Mr Colin Allen-Walters, Principal, Atherton High School, *Hansard*, Mareeba Roundtable, 3 April 2003, p. 188

5.69 The committee considers that the lack of clear pathways between VET and higher education is helping to drive many capable students away from the traditional trades (along with outdated images of the trades as ‘dirty and dangerous’). DEST’s view, however, is that the strong representation of teenagers in VET (362,500 people or 21.4 per cent of all students in 2002) is evidence that young people are not being deterred from a VET pathway because of limited articulation options.<sup>78</sup> DEST also argued that students’ post-secondary education choices are influenced more by available subjects and courses than by sectoral considerations.<sup>79</sup>

5.70 More generally, ANTA representatives acknowledge that limited and patchy articulation arrangements act as a barrier to lifelong learning,<sup>80</sup> leading to a view within ANTA that the absence of seamless articulation across the sectors is ‘holding us back as a country’.<sup>81</sup> ANTA representatives have, however, subsequently qualified this statement by indicating that the problem is only ‘at the margins’.<sup>82</sup>

5.71 Ms Kaye Schofield, while supporting the need for improved articulation, also considers that the need for this is ‘deeply exaggerated’ because only a very small proportion of TAFE students wish to move into higher education. Employers are not particularly concerned with whether a person’s qualifications are from the VET or higher education sectors. Their focus is on the person’s set of skills with an increasing requirement for a combination of practical and other skills. According to Ms Schofield, the problem is better framed as one of ‘dual sector qualifications’ rather than articulation:

Instead of TAFE VET level qualifications being viewed as five years of VET equalling seven days of university—that sort of articulation debate—it is much more useful to say, ‘These do different things and both are needed.’ Increasingly, VET has to stop imagining itself as the industrial model, the manual labouring entity, and to develop critical thinking. Equally, universities have to understand why it is that so many university graduates are now going in postgraduation. It is because the hand and the head are connected.<sup>83</sup>

5.72 More seamless pathways between VET and higher education and back again are important for industry as well as individuals, because the skill development strategies of many industries depend on a mixture of vocational, generic and academic

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78 Mr Colin Walters, Group Manager Science, former Group Manager VET, DEST, *Hansard*, Canberra, 15 August 2003, p. 1225

79 *ibid.*

80 Mr Stephen MacDonald, General Manager, Australian National Training Authority (ANTA), *Hansard*, Brisbane, 31 March 2003, pp. 3–4

81 Ms Kareena Arthy, Director, Research, Planning and Reporting, ANTA, *Hansard*, Brisbane, 31 March 2003, p. 21

82 *ibid.* p. 22

83 Ms Kaye Schofield, *Hansard*, Sydney, 6 May 2003, p. 837

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skills and the scope for employees to build a portfolio of these skills over their career. This is a particular issue in the engineering profession. The Institution of Engineers Australia told the committee that industry has a regular need for trade qualified people with practical experience to move into professional engineering design and supervision functions. However there is a declining pool of people with trade qualifications willing and able to undertake higher education because the great majority of those with the interest and ability are being 'pushed' to go direct into higher education from school. The lack of engineers with a trade background will become a problem when many of the current senior engineers with practical experience retire over the next ten years.<sup>84</sup>

5.73 The transport, distribution and logistics industry has also identified a growing need for skills sets which combine vocational and higher education but argues that a lack of both career planning and clear pathways between the VET and higher education sector is limiting the scope for this development.<sup>85</sup>

5.74 Some companies are tackling this issue through partnerships with RTOs and the development of career and training pathways, which can be used as a recruitment and development tool. Bosch and RMIT have jointly developed a career and training pathways model to meet Bosch's needs to develop a corps of managers through a pathway that stems from the trades.<sup>86</sup>

5.75 The Cast Metals CRC advised the committee about a national integrated light metals education model that it has developed, embracing both VET and higher education programs. The program involves dovetailing courses from both post-school education sectors to meet the small, but critically important, demand for metallurgical training. A national approach and funding model is needed to allow this program to be implemented. The CAST CRC suggests that, once developed for light metals, this model could be extended to other areas of low student numbers.<sup>87</sup>

5.76 Joint VET/HE qualifications including nested or embedded courses which proceed from vocational or para-professional to professional qualifications, with multiple entry and exit points were also promoted as providing more seamless pathways and more efficient outcomes. Early certification of students allows them to work in their field while continuing to study and can also minimise the waste associated with high attrition rates in early years of university study. Ms Leesa Wheelahan referred the committee to the example of the paramedic course at Victoria

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84 Mr Athol Yates, Associate Director, Public Policy Unit, Institute of Engineers Australia, *Hansard*, Canberra 20 June 2003, p. 1160

85 Mr Neil Chambers, Chief Executive, Victorian Sea Freight Industry Council and Member, Victorian Transport, Distribution and Logistics Industry Round Table, *Hansard*, Melbourne Roundtable, 16 April 2003, p. 613

86 Submission 47, Bosch/RMIT University

87 Submission 99, Cast Metals CRC

University, where students begin with patient care attendance and can then progress through the full range of skills, with four exit points along the pathway.<sup>88</sup>

5.77 Another model or approach which can maximise the opportunities for articulation, is co-location of VET and higher education, and sometimes schools, in the one campus. Physical co-location can help to break down the mystique attaching to further education in communities with limited past experience of it (as the committee was told by representatives of schools, TAFE and the University of Western Sydney in Blacktown) and assist students to follow dual sector pathway by eliminating the need for travel. To obtain maximum benefit from co-location, the management of each institution needs to have a strong commitment to developing flexible pathways, joint programs and recognizing skills learnt in each sector, and sharing infrastructure and resources. Financial support for matters such as development of joint programs can help to ensure that the full potential is realised.

5.78 Questions of articulation and joint programs raise the issue of the different missions or roles of VET and higher education. In Australia, particularly since the training reform agenda, the main mission of VET is seen to be vocational, skills-based education and training (although it also provides a level of general post-secondary education) with higher education more concerned with theoretical understanding, the mastery of a body of knowledge and the development of cognitive skills and critical thinking. In practice, these distinctions have become blurred over recent years, with the introduction of courses with a significant practical component, such as nursing and teaching, into higher education. The provision under the Australian Qualification Framework (AQF) for award of diplomas and advanced diplomas in either the VET sector or the higher education sector is another instance. The recent decision to include associate degrees, as a Higher Education qualification under the Australian Qualification Framework, complicates the issue further, as does the Victorian government decision to allow TAFEs to offer technical degrees in niche areas.

5.79 The MCEETYA decision to approve the inclusion of an Associate Degree under the AQF occurred during the life of the inquiry and the implications of this decision for pathways between VET and higher education and the separate missions of VET and higher education are unclear. One possibility is that Associate Degrees can play a role in providing a combination of general and practical or vocational education and act as a stepping stone to higher education for those who do not qualify for university entry based on school results.<sup>89</sup> This could have significant equity benefits and contribute to meeting the increasing demand for higher level skills, while in the meantime meeting the need for more intermediate skills. Access to higher education will be further increased if VET sector institutions are able to offer these degrees, because more TAFE campuses than universities are located outside metropolitan

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88 Ms Leesa Wheelahan, *Hansard*, Brisbane, 31 March 2003, p. 26

89 Submission 2, Griffith University, p. 8



areas.<sup>90</sup> However at the time of this report the role that Associate Degrees will play in Australian post-secondary education is still emerging.

5.80 The introduction of joint and embedded programs and other arrangements that provide combinations of vocational and higher education or appear to straddle the boundaries between the two, raises the issue of the different funding arrangements applying to higher education and VET courses, with HECS available at the university level, but upfront fees (albeit often minimal and with options for needs-based concessions) at the VET level.<sup>91</sup>

5.81 In this context, some private providers<sup>92</sup> and commentators have suggested the need to consider a HECS-type arrangement for VET courses. Private providers and some commentators see a HECS system as expanding access to VET by providing an alternative to upfront fees, which may be a barrier for some eligible applicants. The committee observes that the HECS proposal raises a number of complex issues, including valid concerns based on experience with the higher education sector, that an income-contingent loan scheme will inevitably provide the scope for significant fee increases and cost-shifting from the public sector to the individual student. Notwithstanding the possible benefits of an alternative to upfront fees for some VET applicants, the possibility, or indeed, probability of this cost shifting occurring, is a significant concern given VET's key role in providing education and training for equity groups. Nevertheless, the TAFE Association of Victoria considers that the state government's decision allow TAFE Institutes to offer degree courses, while facilitating pathways to new skills for new and existing workers, will increase the pressure to resolve anomalies between the two systems.<sup>93</sup>

5.82 The committee notes that the Government has failed to include in its *Backing Australia's Future* package any reference to the inter-relationship between VET and higher education and this has provoked criticism in some quarters.

5.83 The committee also observes that there are a number of important issues relating to the pathway between VET and higher education and that the pressure to consider these will mount over the next few years. Many of these issues were raised in the Government's document on the interface between VET and Higher Education, *Varieties of Learning*. The committee agrees that the absence of a coordinated policy framework for dealing with cross-sectoral post-secondary issues<sup>94</sup> makes

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90 Dr Geoffrey Wood, Executive Director, Office of VET, Department of Further Education, Employment, Science and Technology, South Australia, *Hansard*, Adelaide, 12 June 2003, p. 1062

91 Mr Norman Buchan, CEO, Tiwi Islands Training and Employment Board, *Hansard*, Darwin Roundtable, 10 June 2003, p. 965

92 See Submission 8, Australian Council for Private Education and Training, pp. 7–8

93 Submission 61, Victorian TAFE Association CEO Council, p. 13

94 Department of Education, Science and Training, Crossroads Review, *Varieties of Learning*, p. ix

consideration of these issues more difficult. In the meantime there are a number of specific issues and proposals that are worth further consideration in terms of reducing the barriers to articulation.

### **Barriers to articulation**

5.84 There are a number of barriers to overcome before the current recorded rate of entry to higher education on the basis of VET qualifications of 7 per cent,<sup>95</sup> is increased (although the committee recognises that the official transfer rate probably under-states actual transfers).

5.85 The current training package emphasis on assessment of competency as demonstrated in the workplace, was identified as perhaps the single greatest barrier to more widespread articulation arrangements. According to a number of witnesses, the assessments based on performance in the workplace lack information on outcomes in terms of underpinning knowledge, cognitive skills and the capacity to learn how to learn.<sup>96</sup> This creates problems for universities attempting to form judgements about students' capacity for higher education, because:

Performance in workplace skills is not at all relevant to the ability to study in higher education. What we want to know about is the study skills: literacy, numeracy. [But] it is not in the transcript. It is not in the syllabus statement. It is not in the training package. We can only infer it from ... one-to-one relations...[between institutions].<sup>97</sup>

5.86 Ms Kaye Schofield also contends that while universities have been 'recalcitrant, pompous and elitist in their treatment of vocational education and training', their suspicion of VET qualifications may be partly justified by the removal of much critical thinking from VET programs in recent years.<sup>98</sup>

5.87 ANTA advised the committee that it is expected that the next 'generation' of training packages will consider the need for greater articulation from VET qualifications to university qualifications,<sup>99</sup> and presumably address concerns such as training and assessment practices which restrict the scope for articulation. The committee considers that this review must address the concerns raised during this inquiry about the need for a greater emphasis on, and assessment of, underpinning knowledge, the development of cognitive skills, critical thinking, learning skills and literacy and numeracy skills. This would not only address one of the barriers to

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95 *ibid.*

96 Submission 79, TAFE Directors Australia, pp. 8–10

97 Mr Gavin Moodie, Principal Policy Adviser, Office of the Vice-Chancellor, Griffith University, *Hansard*, Brisbane, 31 March 2003, p. 32

98 Ms Kaye Schofield, *Hansard*, Sydney, 6 May 2003, p. 837

99 Mr Steven Macdonald, General Manager, ANTA, *Hansard*, Brisbane, 31 March 2003, p. 9

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articulation, it would also provide VET graduates with a base of skills and knowledge that will enhance their capacity for lifelong employability and lifelong learning.

5.88 As noted in the previous chapter's consideration of training packages, graded assessment may help to promote articulation, by providing more information than the current VET assessment practices.

5.89 Although there were some strong perceptions that VET authorities have seen graded assessment as incompatible with the competency-based approach to VET, the committee observes a growing recognition that graded assessment can help to improve the standing of VET qualifications and further education and employment prospects for VET graduates:

- Southbank Institute in Brisbane is beginning to use graded assessment to promote articulation with local universities, but supplements this with information on the assessing authority's standards;
- The Australian Aviation Centre in Brisbane uses graded assessment where students agree, again as an aid to articulation to university; and
- The Western Australian authorities are trialling a system of graded assessment in response to demands from Registered Training Organisations, employers, industry and learners for greater recognition of learner achievement.

5.90 More information on VET graduates' underpinning knowledge and capacity for higher education could also be provided through greater use of support materials in training packages. Mr Gavin Moodie suggested that materials which provide a brief statement of course content and context, and outline knowledge and study skills as well as workplace skills, could maximise VET student's scope for credit transfer.<sup>100</sup> The committee observes that there are more general reasons in favour of such a development, discussed in the previous chapter on Training Packages.

5.91 The different assessment practices in VET and higher education can also be a roadblock on the pathway from higher education to VET. Under current arrangements, the 30 to 40 per cent of students who do not complete their university degrees do not obtain any recognition or credit towards a VET award.<sup>101</sup> The VET sector insistence on competency as assessed in the workplace is blamed for this poor record, notwithstanding the fact that not all institutions adhere to this requirement.<sup>102</sup> The University of Newcastle together with the Hunter Institute,<sup>103</sup> and Southbank Institute in Brisbane together with local Queensland universities are working on ways to overcome this problem.

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100 Submission 2, Griffith University, p. 7; p. 28

101 Ms Leesa Wheelahan, *Hansard*, Brisbane 31 March 2003, p. 26

102 *ibid*, p. 28

103 Professor Linda Connor, President, Academic Senate, University of Newcastle, *Hansard*, Newcastle, 5 May 2003, p. 695

5.92 Attitudinal barriers in the form of elitism, are also said to be significant. The committee was told that the rate of entry on the basis of VET qualifications for the Group of Eight universities is only half that of other universities.<sup>104</sup>

5.93 Funding and regulatory requirements may act as a disincentive to ‘one-off’ articulation arrangements, whereby individual students are granted credit for their TAFE qualifications outside of an institution-institution arrangement. An academic at the University of Central Queensland claims that universities might be more willing to grant credit for VET qualifications if they are able to charge for the cost of the time involved in assessing qualifications, but current DEST regulations prevent them from applying such charges. According to Professor Prater of Central Queensland University, transfer rates from VET to higher education are higher in New Zealand than Australia, partly because New Zealand universities are able to charge for the costs associated with assessing VET qualifications as a basis for university entry.<sup>105</sup>

5.94 While the committee was told of many instances where the VET sector and universities in a region are negotiating bilateral arrangements for articulation, there are no systemic pathways. Most arrangements are one-off, negotiated bilaterally between institutions or, more often, between individual departments or faculties within institutions and are very labour intensive.<sup>106</sup> As a result, arrangements are ‘inconsistent, patchy and lack certainty for the student’.<sup>107</sup> This suggests the need to consider the benefits of more systemic approaches.

5.95 Representatives from Southbank Institute were, however, sceptical about the need for, or feasibility of, a systemic approach to improving articulation, given the likely timeframes and numerous obstacles. They took the view that locally developed educational partnerships could meet much of the need, within the current policy framework, given the right commitment. They noted that, while initial models may be labour intensive, once fundamental issues have been resolved subsequent models can be developed more quickly, although they may need regular review as training packages change.

5.96 One jurisdiction, Western Australia, is tackling the need for a more consistent and transparent approach to articulation through a formal agreement between all Vice Chancellors and the Minister for Education. This commits the parties to a phased program, starting with documentation and publication of the existing qualification linkages, articulation and credit transfer arrangements within the state. The next stage is state-wide guidelines for credit transfer and articulation arrangements between universities and TAFE colleges, consistent with the national guidelines for cross

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104 Mr Gavin Moodie, Principal Policy Adviser, Office of the Vice-Chancellor, Griffith University, *Hansard*, Brisbane, 31 March 2003, pp. 33–34

105 Professor Bob Prater, *Hansard*, Gladstone Roundtable, 1 April 2003, pp. 102–03

106 Submission 2, Griffith University, p. 7

107 Submission 79, TAFE Directors Australia, p. 7

sectoral linkages. Progress appears to have stalled, however, due to two impediments. One is the ultimate need to address national issues relating to policy and funding for the two sectors.<sup>108</sup> The other is the expected shortage of university places and the uncertainty about funding in the current environment.<sup>109</sup>

5.97 Another way of promoting articulation is by tackling some of the current barriers and providing a policy and reporting framework that encourages higher transfer rates. Measures which could be considered in consultation with stakeholders include greater use of support materials, graded assessments in relevant cases and measures for tracking student's education progress from year 7 onwards, as well as financial incentives for the development of joint VET/Higher Education programs, articulation arrangements and recognition of prior learning.

5.98 As noted, increased pathways between VET and higher education is now a priority under the national strategy. The committee was therefore interested to hear how the Commonwealth is progressing with this issue. ANTA reported that there is a 'substantial amount of work being done with the AVCC through the Australian Quality Framework Advisory Board' to promote a more systemic approach to articulation.<sup>110</sup> Similarly, DEST told the committee that the Commonwealth is making progress in this area, if not as quickly as hoped. The need to take account of the views of independent Vice-Chancellors can lead to some delays.<sup>111</sup> However, the committee was also told that while the AVCC and ANTA have agreed on joint guidelines for credit transfer, the guidelines are 'honoured more in the breach than they are in the implementation'.<sup>112</sup>

## Comment

5.99 The issue of articulation between VET and higher education has been on the public policy agenda for the past few years and, as noted, features as a priority in the current national strategy for VET. It does not appear to have the same priority for the higher education sector. Nevertheless the committee notes many initiatives at the level of individual institutions provide models which could be adopted more widely. The Commonwealth could play a role in collecting information on these various models, identifying best practice principles and disseminating the information them more broadly throughout the VET and higher education sectors.

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108 Western Australia Department of Education and Training: Statement of Intent 'Towards More Effective Linkages and Opportunities for Student Movement between Higher Education and Vocational Education and Training Sectors', Additional information provided to the Committee

109 *TAFEWA–University Pathways: Progress Report to Joint VET–University Committee* (August 2003) by Jane Lorrimar

110 Mr Steven MacDonald, General Manager, ANTA, *Hansard*, Brisbane, 31 March 2003, p. 3

111 Mr Colin Walters, Group Manager, Science, former Group Manager Vocational Education and Training, DEST, *Hansard*, Canberra, 15 August 2003, p. 1225

112 Ms Leesa Wheelahan, *Hansard*, Brisbane, 31 March 2003, p.34

5.100 The committee also notes the labour-intensive nature of such arrangements and the need for them to be supported by a framework that facilitates articulation in both directions. It also recognises the obstacles to developing a more systemic approach, including the lack of a policy framework beyond MCEETYA for considering cross-sectoral issues and financial pressures in both VET and higher education. The committee considers that ANTA, in the meantime, should therefore give consideration to proposals which may be more easily implemented.

5.101 The committee also considers that the Commonwealth should consider the development of a policy framework for considering cross-sectoral post-secondary education issues once the higher education funding arrangements have been settled.

**Recommendation 46**

**The committee recommends that ANTA undertake extensive consultation and research towards developing a model that allows for graded assessments to be provided within the competency-based system, where students require this for articulation to higher education.**

**The committee recommends that ANTA should require that all training packages include support materials which outline basic content and knowledge as well as competencies; include study skills as well as workplace skills; and accept the classroom as well as the workplace as a legitimate site for assessment.**

**Recommendation 47**

**The committee recommends that ANTA, in conjunction with the AVCC, evaluate the Cast CRC model for a national integrated education program, as a possible model for other disciplines or industry areas with low student numbers and a need for skill sets from both VET and higher education. The committee also recommends that ANTA and the AVCC consider possible funding arrangements to promote the development and implementation of such models.**

**Recommendation 48**

**The committee also considers that MCEETYA should examine the feasibility and merits of introducing a system for tracking students' education and training from year 7 onwards. This examination should include consideration of the skills passport concept for recording the full range of VET outcomes.**

## Pathways for skills development for existing workers

5.102 The need for a new policy focus on the skills development needs of existing workers was one of the dominant themes of the inquiry,<sup>113</sup> although a number of submissions and witnesses also cautioned the need to retain a strong focus on the training needs of new entrants and young people in particular. There were also divergent views on whether there is a case for public support for training of existing workers and any conditions or requirements that should attach to such support.

5.103 According to DEST, the debate about the need for more government support for existing workers is not new and:

...has been a fascinating issue to track over the years because the opinion that we do too much for existing workers and the opinion that we do too little seem to be equally held. I have heard the same people expressing opposite views within a fairly short period of time.<sup>114</sup>

5.104 The current wave of interest in training of the existing workforce is prompted by a number of factors. The National Industry Skills Initiative (NISI) working groups investigating skill shortages identified training of the existing workforce as a key strategy for overcoming skill shortages and skill gaps.<sup>115</sup> Australian Business Ltd cited research by Access Economics estimating that the total number of new entrants into the workplace during the decade 2010 to 2020 will be the same as in a single year in the early 2000s.<sup>116</sup> Employers will thus need to rely more heavily on existing workers for new skills, implying the need for continued skills development as technology, business processes and knowledge change.

5.105 The ACTU asserted that training of the existing workforce and retention of existing skills is an imperative if Australia is not to miss the next innovation cycle because of a widespread skills deficit:

Over half of the population will be 45 and over by 2010. We need to recognise that, in terms of the innovation cycles I referred to, it takes from four to seven years to train trades and professional workers. Then there are

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113 See submission 40, Australian Business Ltd; Submission 100, Australian Chamber of Commerce and Industry (ACCI); Submission 23, Australian Council of Trade Unions (ACTU); Submission 24, Australian Manufacturing Workers Union (AMWU)

114 Mr Colin Walters, Group Manager, Science, former Group Manager Vocational Education and Training, DEST, *Hansard*, Canberra, 15 August 2003, p. 1218

115 Mr Steve Balzary, Director, Employment and Training, ACCI, *Hansard*, Canberra, 20 June 2003, p. 1122

116 Ms Kathy Rankin, Policy Adviser, Education and Training, Australian Business Ltd, *Hansard*, Sydney, 6 May 2003, pp. 809-810

the ongoing skills shortages in trades professions emerging now in some service sector jobs—the growth sector of the economy.<sup>117</sup>

5.106 There were also numerous examples cited, from the trucking industry,<sup>118</sup> to the health and community care sector, including the child care area, where regulatory changes and/or industry's professionalisation are generating an increased requirement for skilled and qualified staff.<sup>119</sup> The overarching message is that there are fewer and fewer areas of industry or public service which can operate effectively without a skilled workforce, which is also engaged in regular skills development. The 'cliché' of lifelong learning will need to become a reality.

5.107 Professor Sue Richardson of National Institute of Labour Studies at Flinders University argued that lifelong learning is already being realised in Australia where the level of participation of mature age people in further education is higher than in almost any other country.<sup>120</sup> But according to ACCI, participation levels in VET can create a misleading impression because many existing workers studying at TAFE are undertaking individual modules of training which may not lead to a qualification.<sup>121</sup>

5.108 A threshold issue is whether the government has any responsibility for training existing workers, and, if so, the nature of that responsibility. Ms Kaye Schofield argued that training of the existing workforce is the responsibility of employers, rather than government.<sup>122</sup> However a number of other witnesses argue that government must have a role and responsibility:

As long as the Commonwealth government promotes public policy around lifelong learning, education for all and improving the qualifications and skill base of the country, then it has a responsibility to contribute to that in the same way that industry and individuals have a responsibility to contribute... the Commonwealth government should not resile from some form of injecting funds into the system to encourage training, because that supports its own public policy and a broader public benefit.<sup>123</sup>

5.109 One of the major barriers to lifelong learning is the lack of initial formal training and qualifications: those without formal qualifications are seen to be less

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117 Ms Sharan Burrow, President, ACTU, *Hansard*, Melbourne, 16 April 2003, p. 600

118 Mr Gerard Langes, Chief Executive Officer, Transport and Distribution Training Australia, *Hansard*, Melbourne, 16 April 2003, p. 624

119 See for example, *Hansard*, Adelaide, 12 June 2003, p. 1108

120 Professor Sue Richardson, Director, National Institute of Labour Studies, Flinders University, *Hansard*, Adelaide Roundtable, 12 June 2003, p. 1130

121 Mr Steve Balzary, Director, Employment and Training, ACCI, *Hansard*, Canberra, 20 June 2003, p. 1122

122 Submission 96, Ms Kaye Schofield, p. 1

123 Ms Pam Jonas, Manager, Policy and Research, Group Training Australia, Victoria, *Hansard*, Melbourne Roundtable, 16 April 2003, p. 628



willing to engage in structured learning. Recognition of Prior Learning (RPL), or the Recognition of Current Competence (RCC), can therefore provide the necessary platform and catalyst for further skills development.<sup>124</sup> This is a particular issue in industries where many people entered as semi-skilled or unskilled and now need either certification or top-up of skills; in other cases re-skilling is needed to meet the changing requirements of the industry. The expectation that acquisition of formal qualifications will promote subsequent learning has been borne out by the experience in the transport industry, which has undergone a major phase of training of the existing workforce.<sup>125</sup> Yet expenditure on RPL currently accounts for only 2 per cent of national training effort.<sup>126</sup>

5.110 The health and community care sector also identified the need for publicly-funded support for RPL and subsequent upskilling. Up to 50 per cent of the workforce in some areas of the sector lack qualifications,<sup>127</sup> yet recent regulatory changes in areas such as child care tie accreditation to the availability of qualified staff.<sup>128</sup> Health and community care, as a poorly-funded sector, is almost completely reliant on government-funded training programs to recognise and develop the skills of the workforce. For those with disabilities, RPL and subsequent skills development can also be the key to improving their labour market prospects, by providing formal certification and supplementation of skills developed on the job. Representatives of the health and community care sector are therefore opposed to state government policies and practices which limit their support for training existing workers, whether through New Apprenticeships or other schemes.<sup>129</sup>

5.111 While most submissions and witnesses support increased government assistance to training of the existing workforce, opinions differ on the most appropriate form of support. While some submissions, and evidence from the Commonwealth, favour the New Apprenticeships program for this purpose, a greater number argued the need for a different approach.

5.112 The ACTU argues for a dual system of structured training, with the New Apprenticeship system to focus only on entry level training, in particular for young people, and 'a second training strategy for the development of skills for the existing

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124 Ms Kathy Rankin, Policy Adviser, Education and Training, Australian Business Ltd, *Hansard*, Sydney, 6 May 2003, pp. 809–10

125 Ms Robyn Archer, Head of Department, Victoria University of Technology, *Hansard*, Melbourne Roundtable, 16 April 2003, p. 626

126 Mr Julius Roe, National President, AMWU, *Hansard*, Sydney, 6 May 2003, p. 814

127 Ms Diane Lawson, CEO, National Industry Training Advisory Board, Community Services and Health Training Australia, *Hansard*, Adelaide 12 June 2003, p. 1105

128 Mr Craig Harrison, ACROD, National Employment and Training Committee Ltd, *Hansard*, Adelaide 12 June 2003, p. 1110

129 Mr Craig Harrison, ACROD, National Employment and Training Committee Ltd, *Hansard*, Adelaide 12 June 2003, p. 1106

workforce within the context of national Training Packages and workplace training strategies.<sup>130</sup> A key aim is to increase the current low proportion of employer investment in structured training leading to national qualifications.

5.113 One rationale for a separate strategy for existing workers is to enable better targeting of government support within the framework of an industry or enterprise skills development strategy. The ACTU proposes a program of government grants to assist with the cost of training the current workforce, provided the following criteria are met:

- matched or greater funding by the employer;
- training to be delivered by registered training organisations;
- training is structured and leads national qualifications;
- recognition of current competencies and prior learning is provided;
- investment is in agreed target areas, that is, in important areas of the economy where identified skills shortages exist; and
- training is undertaken in accordance with an agreed workplace plan.

5.114 According to the ACTU, the \$357 million currently allocated towards training of existing workers under the New Apprenticeship program should be channelled into a separate program for this purpose.<sup>131</sup>

5.115 The AMWU also argues for a separate program to support training of the existing workforce, with a focus on the development of portable skills and qualifications.<sup>132</sup> It agrees that RPL must be a key element of any such strategy and supports additional public funding for this purpose. The ideal arrangement, from the AMWU perspective, is for government funding for RPL to be contingent upon further employer-funded training leading to nationally recognised qualifications. The AMWU also identifies the need for a new approach to RPL, with greater emphasis on a thorough skills analysis in the workplace, undertaken in a partnership between the training provider and enterprise.<sup>133</sup> This would have the added benefit of updating the industry experience and understanding of RTOs.

5.116 There were a range of other suggestions for encouraging and supporting additional employer investment in training. The AiG and EEASA suggested tax credits; others suggested some weighting or requirement in government tenders to support training, whether in general or for special categories of people such as Indigenous people or people from local communities.

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130 Submission 23, ACTU, p. 4

131 Ms Sharan Burrow, President, ACTU, *Hansard*, Melbourne, 16 April 2003, p. 600

132 Mr Julius Roe, National President, AMWU, *Hansard*, Sydney, 6 May 2003, p. 814

133 *ibid.* p. 814

5.117 Like the ACTU and AMWU, the ACCI advocates separate programs of government support for new and existing workers. Mr Steve Balzary of ACCI stated that:

...governments need two clear strategies to tackle workplace issues. The first is an entry-level training strategy, which I think New Apprenticeships meets very well. The next strategy is a strategy for existing workers, and I think that is where we need to do a lot more work right across governments on the training system.<sup>134</sup>

5.118 ACCI and Australian Business Ltd suggested a learning bonus or incentive payment for employers, to be used flexibly to offset some of the costs of RPL or other training interventions for the existing workforce. Relevant interventions could include mentorship training to enable mature workers provide more support to new entrants.<sup>135</sup> The proposed bonus is seen to be particularly useful in industries which have previously lacked a commitment to formal training, but need not be linked to training relevant to the current workplace, provided the training contributes to workers' employability skills.<sup>136</sup> Implicit in the ACCI/ABL proposal, and the comments cited above, is that upskilling the existing workforce requires support for a greater diversity of activities than can be catered for under the New Apprenticeship program.

5.119 The Victorian Government also argues against the use of the New Apprenticeships program for existing workers. According to Victoria, the administrative overheads and costs associated with New Apprenticeships, including fee-for-service payments to New Apprenticeship Centres and audit and monitoring costs, are an unnecessary impost when training is for those who are already employed, or transferring from one job to another.<sup>137</sup>

5.120 A major theme in these submissions was the need for specific funding and support for RPL, which is a neglected element of the training system. One barrier to greater use of RPL is the high cost, due to its labour-intensive, one-on-one nature. For this reason, the Commonwealth and ANTA have been investigating options to streamline the process, such 'group classes,' where individuals are trained to collecting evidence about their prior learning and current competence.<sup>138</sup> Notwithstanding the high costs of one-on-one RPL, the committee notes that it is still likely to be more cost-effective than the use of a New Apprenticeship arrangement for

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134 Mr Steve Balzary, Director, Employment and Training, ACCI, *Hansard*, Canberra, 20 June 2003, p. 1122

135 Submission 40, Australian Business Ltd, pp. 10–11

136 Ms Kathy Rankin, Policy Adviser, Education and Training, Australian Business Ltd, *Hansard*, Sydney, 6 May 2003, p. 812

137 Submission 94, Victorian Government, pp. 23–24

138 Mr Colin Walters, Group Manager Science, former Group Manager VET, Department of Education, Science and Training, *Hansard*, Canberra, 15 August 2003, p. 1221

this purpose.<sup>139</sup> ANTA advised the committee that it has been tasked with developing an action plan for implementing strategies to promote greater use of RPL, in line with the emphasis in the new national strategy.<sup>140</sup>

5.121 DEST acknowledged the arguments in favour of a dual system of support for training new and existing workers. However it questioned the proposition that alternative mechanisms would provide a better outcome. Any new scheme would require the establishment of an administrative and legal framework for allocation of funds and audit and monitoring of outcomes, with attendant increased costs.<sup>141</sup> The ACTU also identifies the need for an accountability framework for training existing workers but suggests that this could involve industry or enterprise training plans.<sup>142</sup>

5.122 DEST also reported that the recent review of the Commonwealth incentives for New Apprenticeships revealed broad (although presumably not unanimous) support for maintaining the current level of support for existing workers.<sup>143</sup> ANTA also provided the committee subsequently with information indicating that the great majority of existing workers on New Apprenticeships trained at Certificate 3 (79 per cent) or Certificate 4 (16 per cent) levels,<sup>144</sup> and the majority of these also had no previous post-school qualifications.<sup>145</sup> In this context DEST questioned that whether the proposal for the learning bonus would deliver substantially better outcomes.<sup>146</sup>

5.123 The level of the qualification is not, however, necessarily a guarantee of quality and relevance of the training: ACPET submitted that its members report instances of employers engaging existing workers as trainees under 'two year' Certificate 3 programs, with a 'limited correlation' between the traineeship and the skill requirements of the person's job.<sup>147</sup> ACPET therefore also favours other approaches to supporting the skills development of existing workers and the re-skilling of older workers, including the provision of targeted tax relief measures.<sup>148</sup>

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139 Submission 3, Shop Distributive and Allied Employees Association, p. 21

140 Mr Adrian Stephens, Director, Client Relationships, Australian National Training Authority (ANTA), *Hansard*, Canberra, 15 August 2003 p. 1218

141 Mr Colin Walters, Group Manager Science, former Group Manager VET, DEST, *Hansard*, Canberra, 15 August 2003, p. 1218

142 Ms Sharan Burrow, President, ACTU, *Hansard*, Melbourne, 16 April 2003, p. 600

143 Mr Colin Walters, Group Manager Science, former Group Manager VET, DEST, *Hansard*, Canberra, 15 August 2003, p. 1218

144 Mr Adrian Stephens, Director, Client Relationships, ANTA, *Hansard*, Canberra, 15 August 2003, pp. 1218-19

145 ANTA, Response to Question On Notice (tabled papers)

146 Mr Colin Walters, Group Manager Science, former Group Manager VET, DEST, *Hansard*, Canberra, 15 August 2003, p. 1218

147 Submission 8, Australian Council for Private Education and Training (ACPET), p. 6

148 *ibid.* p. 2

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## Measures that promote upskilling and cross-skilling

5.124 While many elements of the current training framework, including competency-based assessment and training packages arguably provide the platform for upskilling, retraining and cross-training of the existing workforce, this potential is not yet fully realised.

5.125 One issue is the need for RTOs to be more responsive in meeting industry's needs for training existing workers. According to one witness:

The No. 1 issues are improving access to the training system, from the small business point of view, and also flexibility and workplace based delivery. That means two things: firstly, a more responsive training system in terms of flexible delivery and workplace delivery; and, secondly, different funding models to those that are in place now, to allow for thin markets...<sup>149</sup>

5.126 Mr David Graham made a similar point, arguing the need for TAFEs to work with enterprises to develop more targeted short courses tailored to the needs of a workplace, for delivery in the workplace. However this is a labour-intensive, and therefore expensive, approach and not able to be absorbed within current TAFE funding levels and arrangements. On the other hand, few small firms are able to pay the full costs of this service.<sup>150</sup> The implication is that an increase in small business investment in the skills development of its existing workforce will require the public sector to subsidise this investment in some form.

5.127 The argument that 'a standard training service will no longer suffice' to meet the training needs associated with the existing workforce was made in many submissions. In many cases this will require long-term partnerships between VET providers and industry, with a particular focus on innovative companies and industry sectors. Once again, the main constraint is funding.

5.128 As indicated in the previous section, an important mechanism to promote lifelong learning is the capacity to record and monitor in the one database (or linked databases) and report on the full range of learning and qualifications gained in all of the post-compulsory school sectors. This is commonly known as a 'skills passport', and should have the capacity to record education and training outcomes that do not result in grant of a qualification, for example the completion of VET modules or university units. As well as being an aid to further education and training, skills passports can also be an aid to employment in the rural and construction industries

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149 Ms Susan Woodward, General Manager, Light Manufacturing Training Australia, *Hansard*, Melbourne Roundtable, 16 April 2003, p. 626

150 Mr David Graham, Learning and Development Manager, Huntsman Chemical Co. Pty Ltd; Chair, Manufacturing Learning Australia and Chair, Manufacturing Learning Victoria, *Hansard*, Melbourne, 17 April 2003, p. 665

characterised by contract or seasonal work and multi-skilling,<sup>151</sup> by providing employers with a record of the skills obtained in related industries or occupations.

5.129 ANTA reports that a skills passport has been under consideration over the last decade and remains on its agenda.<sup>152</sup>

5.130 Other measures that would facilitate cross-skilling and upskilling include training packages that facilitate the combination of skills sets across packages.<sup>153</sup>

5.131 An important principle identified during the course of the inquiry is the need to ensure equitable access to training opportunities for casual and contract staff and staff without post-secondary education.

### **Comment**

5.132 The committee considers that a good case has been made for a separate government program to assist enterprises with the training of the existing workforce. It acknowledges the points made by DEST about the administrative advantages associated with the use of existing mechanisms such as New Apprenticeships for this purpose, but considers that the problems associated with this approach outweigh the benefits. It therefore believes that DEST should examine the merits and feasibility of undertaking introducing a separate scheme to promote employer investment in training the existing workforce, in place of continued use of the New Apprenticeship scheme. In examining this issue, DEST should consider the appropriate eligibility criteria including: any priority areas of industry development; equitable access to training for casual and contract staff and for those without post-secondary education; provision for RPL; and the need for employers to match or exceed any government contribution.

### **Recommendation 49**

**The committee recommends that the Commonwealth consider introducing a separate scheme to support the training of existing workers, in place of the incentives under the New Apprenticeship scheme. The National Industry Skills Forum should provide advice on the key features of a new scheme which would better focus on the career development needs of workers, including casual employees, and on training which supports enterprise and industry skills development strategies and national skill priorities.**

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151 Submission 10a, Rural Skills Australia. See also Mr Geoffrey Bloom, Executive Director, Rural Skills Australia, *Hansard*, Canberra, 20 June 2003, p. 1134

152 Submission 35, ANTA, p. 3; Ms Kareena Arthy, Director, Research, Planning and Reporting ANTA, *Hansard*, Brisbane, 31 March 2003, p. 11

153 Submission 11, Business Skills Victoria, p. 7

**Recommendation            50**

**The committee also recommends that the Commonwealth provide funding to enable mature workers who are unemployed or at risk of being retrenched, to have a formal Recognition of Prior Learning, career counselling and access to training to develop new skill sets which will enhance their future employment prospects.**

