

Submission

to

Senate Employment, Workplace Relations and Education
Legislation Committee

Inquiry into the provisions of the Skilling Australia's Workforce Bill 2005; and Skilling Australia's Workforce (Repeal and Transitional Provisions) Bill 2005

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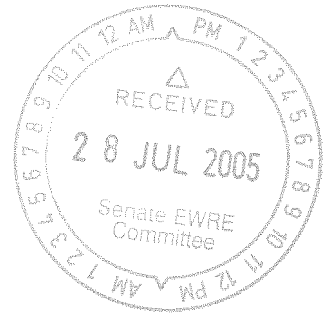
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SKILLING AUSTRALIA'S WORKFORCE BILL

SUBMISSION BY TAFE DIRECTORS AUSTRALIA



1. Introduction

TAFE Directors Australia (TDA) is the national peak body representing TAFE Institutes and the TAFE divisions of multi-sector institutions. All members of TDA are the CEOs of these institutions.

During the transfer of ANTA's functions to the Department of Education, Science and Training, TDA has appreciated its inclusion in a wide range of consultative processes undertaken by the Department and has welcomed the Commonwealth's recent proposal that a TDA nominee be included in the membership of the proposed National Quality Council.

TDA also welcomes this opportunity to convey its views on the Skilling Australia's Workforce Bill. Our observations below focus chiefly on the objects and statutory requirements contained in the Bill (clause 4 and clauses 9-19)

2. Purpose and Objectives of the Bill

The Government has introduced this legislation as the statutory basis for new national training arrangements and related funding agreements with the States and Territories for the period July 2005 to 31 December 2008. The Bill provides authority to appropriate \$4.397 billion to the States and Territories over this period and links this provision to a range of conditions and targets.

As set out in Clause 4, the Government's objectives are to strengthen Australia's economic base through providing a highly skilled workforce; to promote a national approach; and to support a national training system which

- o is responsive to the needs of industry and employers;
- o ensures high quality, nationally consistent, flexible and accelerated vocational education and training;
- o operates through streamlined arrangements, is accessible and encourages more Australians to "prefer vocational education and training options when making career choices".

TDA actively supports all of these objectives.

However, it is disappointing to note Clause 4 (b) anticipates the achievement of these objectives through the co-operation of "the Commonwealth, the States and industry" but includes no acknowledgement of training providers as a key partner in this co-operative process.

TDA continues to emphasise that much of the inflexibility and non-responsiveness for which the ANTA arrangements were often criticised was due in no small part to the absence of training providers from relevant consultation and decision-making arrangements. TDA emphasises that while the needs of industry and workforce development must drive the outcomes of the national vocational and education training system, neither industry clients nor Commonwealth/State administrations are best positioned to design the means for achieving these outcomes. The training design and delivery expertise which reside in the TAFE system can materially enhance the outcomes of training for both employers and

individuals and it is important that this is now recognised and incorporated in national decision –making processes.

TDA would see merit in an amendment to clause 4 (b) to include specific reference to training providers as a contributor to the co-operative arrangements which will enable the achievement of a flexible, high quality training system as set out in clauses 4 (a) and 4 (c).

3. The Statutory Conditions for Agreements with the States (Division 2, Clauses 9-19.)

User Choice

Clause 11 refers to User Choice Policy which, we note, is a policy pertaining to the management of provision of new apprenticeships.

TDA supports User Choice Policy in respect of New Apprentices who represent on average around 20% of total TAFE enrolments. However, we note that as applied in the past, the policy has tended to apply exclusively to employers. Few, if any, mechanisms have existed to ensure that the apprentices and trainees are also made fully aware of their rights and responsibilities in relation to choice of provider. We believe that there is a need for a national review of the role of the various organisations involved in the administration of user choice to ensure that the intent of the policy is being adequately and consistently implemented with respect to new apprentices as well as to employers.

TDA also emphasises the importance of adequate government requirements and audit arrangements being in place to ensure quality.

Clause 11 (1) (c) provides for the establishment of a national unit price band for all new apprenticeship programs. It will be essential first, that any band is not a thinly disguised attempt to drive down delivery costs still further and second, that each band is sufficiently differentiated to adequately reflect the ongoing capital overheads which TAFE Institutes must incur in maintaining their capacity to deliver the higher cost trade courses and in regional and remote areas and other thin markets. There is commonly an expectation by industry and the wider community that TAFE, as the public provider, will meet any demand for courses and TAFE does not have the same degree of discretion that private providers have to opt out of thin markets.

Sustaining TAFE's capability to deliver will also be an important consideration in ensuring that there is an effective User Choice policy in place. This will need to be kept in mind in administering the proposed annual increase in the proportion of apprenticeships and traineeships that are eligible for User Choice funding (Clause 11 (1) (e)).

Workplace Reform

Clause 12 makes workplace reform in TAFE a statutory condition of grants to the States and Territories. TDA supports the purpose of this clause to improve the flexibility and responsiveness of TAFE to local industry and community needs. (Clause 12 (1) (a))

However, the highly prescriptive nature of some of the strategies set out in subsequent sub-clauses seem more than a little incompatible with the output/outcome-oriented system to which TDA, like the Commonwealth aspires. Many of these strategies will involve resource-intensive changes which are unlikely to be particularly effective in achieving the overall purpose of the legislation.

For example, the introduction of Australian Workplace Agreements for staff (sub-clause 12 (1) (b)) may in some cases improve productivity but, in other contexts, may be neither a necessary nor sufficient measure to achieve this. They are likely to be a heavy drain on scarce senior management resources and have little, if any, additional benefit over and above the effective performance management and incentive mechanisms which many TAFE institutes already have in place. We urge some recognition that these requirements will be applied where relevant, rather than on a global basis to the whole of TAFE.

We also note, with reference to sub-clause 12 (1) (d), that the majority of TAFE institutions already implement very effective leadership development and performance appraisal schemes for TAFE staff.

In more general terms, we believe that there is considerable evidence to suggest that TAFE institutes are among the leaders in workplace reform in the Australian education sector as a whole and, in this regard, we query why the focus of such workplace reforms remains solely on the TAFE sector rather than the VET workforce as a whole.

TDA welcomes the encouragement for a more entrepreneurial approach provided by sub-clauses 11(1)(e) and (f). The ability to engage contractually in partnerships and sponsorships with specific industry clients is a crucial requirement for a genuinely responsive training system. We also include in this observation the arrangements for wider access to TAFE facilities, as set out in Clause 14.

We note, however, that the purpose of the revenue earned through these activities should be to augment and supplement TAFE Institutes level and range of training services to the community and should not be used to offset and subsidise future reductions in the real level of government funding of public vocational education and training through TAFE. Given that the latter intent was foreshadowed in earlier versions of this legislation, TDA requests that the Committee include in its report confirmation that this is no longer the expectation.

“Competence-Based Training”

Clause 13 sets out the requirements for a “competence-based training approach” rather than one based on length of time. TDA fully supports competency-based training and assessment as the appropriate approach to ensuring nationally consistent and high quality outcomes from vocational education and training.

We note that the recent ANTA-sponsored High Level Review of Training Packages cautioned against the inflexibility and lag-times which might result from an overly prescriptive and fragmented specification of training competencies and we urge the Commonwealth Government to ensure that the ability of individual public providers to respond promptly and effectively to regionally diverse populations and economic drivers is not sacrificed further as a result of an overly-narrow focus on national uniformity.

TDA believes that in a number of trades it should be possible to gain a qualification in a shorter time than is currently the case and that this should be actively explored. The barriers to achieving this do not lie in the length of time required for structured training but rather are due to other considerations including award conditions.

TDA also strongly agrees that it is desirable that there be nationally consistent occupational licensing requirements and that the Australian and State and Territory Governments should be working together to try to achieve this.

Student Advice

TDA welcomes the acknowledgement in Clause 17 of individual students as important clients of TAFE. In addition to obtaining students' advice on the delivery of vocational education and training, we believe that student patterns of demand for the mix of vocational courses should also be taken into account. Individual students – especially those studying full-time at their own expense - often take a more considered view of longer-term economic and workforce development than do employers who have more immediate concerns with the survival and growth of their individual businesses.

4. Conclusion

TDA fully supports the purpose and objectives of this legislation. However, the legislation is unusually detailed and prescriptive and many of its requirements and provisions will require careful interpretation and implementation if its overall intent is to be successfully realised within the three year funding time-frame.

If the rigidities and bottlenecks of the past are to be avoided, we consider it essential that Australian and State Governments are prepared to foster more direct and collaborative relationships between peak industry and peak training provider bodies nationally as well as facilitating the greater engagement of individual TAFE institutes with employers and industry groups at the local and regional level.

These genuinely collaborative arrangements will ensure that employers and individuals are able to access responsive, high quality TAFE provision to meet future workforce training needs as these emerge, and to create a workforce capability which will, in turn, significantly enhance Australia's global competitiveness and overall economic prosperity.