



# **AUSTRALIAN TECHNICAL COLLEGES**

## **Not the Solution to the Skills Shortage**

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120 Clarendon Street  
Southbank 3006

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The Howard Government is touting its new Australian Technical Colleges (ATCs) as the solution to the skills shortage which it has itself presided over. For this reason they are perceived as highly desirable by a number of community and business groups.

In reality, however, they are not so much about seriously addressing skills shortages, or about lifting the status of trade training and traditional blue collar work as they are about further undermining, destabilising and demoralising the public education system, and forcing the state labor governments into defining themselves, and their state education systems, against the populist ideology of the Howard government.

### **What does the Howard Government say about Australian Technical Colleges?**

The Howard government has allocated \$289 million over the next four years to establish 24 Australian Technical Colleges. The government has called for expressions of interest in establishing an Australian Technical College to be lodged by 18 February, 2005. It is proposed that the colleges will provide up to 7,200 select-entry student places in only the following 24 regions:

NSW	The Hunter, the Illawarra, Queanbeyan, Port Macquarie, Lismore/Ballina, Dubbo, Gosford, Western Sydney.
Victoria	Geelong, Warrnambool, Bendigo, Sunshine, Bairnsdale/Sale, Eastern Melbourne.
Queensland	Townsville, Gladstone, North Brisbane, Gold Coast.
South Australia	Adelaide, Whyalla/ Port Augusta
Western Australia	Perth South, Pilbara
Tasmania	Northern Tasmania
Northern Territory	Darwin.

While the Howard Government is saying that it will not prescribe the design of the Australian Technical Colleges, and that there will be no single model for their operation, they say that there will be ‘certain governance, administrative, curriculum and learning outcome requirements which each College must meet.’

The Australian Technical Colleges **will**:

- Be clearly identified and badged as ATCs with students formally enrolled
- Have college governing councils and principals who will establish a distinct ATC culture and ethos
- Be linked with and endorsed by local industry
- Demonstrate a level of commitment and engagement from local industry especially in relation to School-based New Apprenticeships

The colleges **may**:

- Operate as specialist senior high schools supported by government and non-government education authorities
- Be based on existing schools, RTOs (including TAFE institutions), universities or industry infrastructure
- Be new institutions established from scratch where existing facilities are not available
- Be located on new or shared campuses or cooperative clusters of education and industry infrastructure

### **What will they look like?**

Two things are clear from the government's material on ATCs – they want them to be “badged” and distinguished as Howard Government initiatives, and be industry driven.

This implies that whatever the cooperative arrangements with existing schools might be, the ATC must be a separate institution with its own identifiable student body – not just a broker of services.

The Colleges will be ‘autonomously run’ by a principal appointed by a College Governing Council which must be chaired by a local business or industry representative and include other members of the local business community. Tenders can be submitted by consortia of local businesses, industry representatives, local government, community organisations, schools – government or non-government – TAFEs and other RTOs and universities. One assumes therefore that all these groups could also have a role on the governing councils.

Nevertheless, ‘the emphasis will be on flexibility and a number of different governance arrangements could emerge depending on local needs.’

Beyond this, the government is saying that the organisation of the consortia will be ‘largely the responsibility of interested individuals and organisations with a commitment to addressing regional skill shortages’. The ATCs will need to be registered as schools, and also as Registered Training Organisations (RTOs), if they are to fulfil the promise to deliver academic courses which will allow entry to university, and nationally recognised trade qualifications.

### **What will they do?**

The government is describing ATCs as “specialist” schools with high quality facilities for Year 11 and 12 students. Students will undertake academic studies and trade related vocational courses. Employability and entrepreneurial skills will be “embedded” in the curriculum, and all students will be expected to commence a Certificate III School-based New Apprenticeship (SBNA) in a trade while attending the College.

Each ATC will specialise in a particular trade, and will offer a trade or trades from at least four industries including metal and engineering, automotive, building and construction, electro technology and commercial cookery. The ATC will be a “centre of excellence” (undefined) in training for their field. They can offer training in trades other than those identified but they will need to be in an area identified as one of local skill shortage. All academic courses offered will be accredited with the relevant school authorities (keeping open the option of going to university) and all vocational courses will be nationally endorsed Training Package qualifications. ATCs will embed employability, enterprise and small business skills throughout their curriculum so that students acquire the skills and knowledge to succeed in a competitive business environment. Students will have access to a qualified careers advisor.

### **Who will run them?**

Private schools can tender to provide an ATC. However, the Howard Government says that these private schools cannot charge any additional fees over and above existing fees. This assumes a direct relationship, almost ownership, between an existing private school and an ATC. However, it is far from clear how this is established.

It is also as yet unclear whether public schools can tender to provide an ATC. Whilst the material on funding (see below) implies there will be public ATCs, it is far from clear in the material provided by the Australian government how this might occur.

It is also unclear because the attitudes of the various state and territory governments are also unknown at this stage. There is no doubt that permission of the state/territory governments would be required in order for public schools to tender either to provide an ATC, or to be part of a consortium to establish an ATC, or to be a contractor of services to an ATC. The Howard Government’s material makes it clear that government and non-government schools can be part of consortia bids, but is very explicit that non-government schools can tender in their own right. It is therefore unclear how the state and territory government could be expected to contribute recurrent funds to the ATCs as they currently do to government school students.

### **How will they be funded?**

ATCs will receive general recurrent funding. The Howard Government will fund each student at an ATC at the same rate “as existing government and non-government secondary schools students.”

What this seems to mean is that where the ATCs are registered as private schools, they will attract the same level of funding from the Howard Government as private schools currently do. It also implies that there could be public ATCs funded at public school rates, though as noted above it is not clear how public ATCs are created. The Australian government says that it expects the state and territory governments to similarly fund each College at current per-student rates.

They will, unlike existing schools, receive capital and other additional funding of \$289m on the basis of need “in recognition of the high cost of specialised vocational training”.

In most states and Territories, Schools-based New Apprenticeships (SBNAs) attract User Choice funding for training. Employers of School-based New Apprentices could also get employer incentives, including a special incentive to commence and retain SBNAs.

Under competition policy, with its principle of competitive neutrality, there may be significant issues that arise around proposals for ATC access to public school and TAFE facilities

This means that third party access to public school and TAFE facilities could become an issue.

### **How will the principal and teachers be employed?**

ATCs will be run autonomously by principals who would attract performance pay and a competitive remuneration package. The principal will be able to engage teaching staff on performance pay, and will be able to offer AWAs. Colleges will offer ‘attractive working conditions emphasising flexibility, high quality facilities, strong professional learning and ongoing support for teachers.’

### **What do ATCs mean for students?**

While the establishment of ATCs is supposedly to lift the status of vocational and trades education, it is difficult to see how this is going to be achieved under these arrangements. At the very least, so little real planning has gone into the concept that it is clear that a great deal will be left to chance.

The ATCs will be highly selective, and the propaganda asserts that only the best and brightest will be selected for the ATCs. The material also gives the impression of much higher levels of resources for the ATCs, but again a lot is left unresolved.

The requirements in terms of curriculum, including SBNAs, appear onerous at first glance. It appears, however, that most of them could be met under existing courses and qualifications (begging the question why such an elaborate mechanism needs to be established in the first place).

Students will undertake their secondary school certificate while being in part time employment and undertaking a nationally recognised VET qualification. While the literature suggests that the SBNA would not need to be completed, it is clear that this may involve students doing some workplace related work during school holidays. The approach ignores much of the current debate/discussion of why it is that vocational options are not held in high regard by many students, and how it is that contemporary schooling tends to marginalise those students with an interest and talent in applied skills long before they reach Years 11 and 12.

The approach does not deal with the low regard with which trades are held in the community, and the often poor working conditions and pay of young workers in these areas.

The trades selected by the Australian government are traditionally male dominated, and given this government's approach to issues around boy's education, no mention has been made of these issues. It appears that these colleges will be essentially boys' schools. Areas of skills shortage such as child care are not mentioned in any of the material.

### **What do ATCs mean for teachers and members?**

Superficially, the Colleges may appear attractive to teachers. While lip service is paid to issues around qualifications and professional development, a great deal is left unmentioned. In order for the Colleges to be registered schools, they will be required to have their teachers of academic subjects registered in most states and territories. There are no requirements for registration of TAFE/VET teachers; however, it appears that ATCs will be required to meet AQTF standards in order to deliver qualifications under the AQF. This means that trades or vocational teachers would be required to hold the Certificate IV in Training and Assessment or equivalent.

It has been clear from the outset that the primary thrust of the government's initiative has been to exclude the education unions from these colleges, and it is also clear that the requirement to offer AWAs will be enthusiastically pursued by the government, particularly in its allocation of tenders. Similarly, the capacity to offer performance pay will also be vigorously encouraged.

Experience in TAFE under right wing state governments has been that initial employment contracts may be favourable, to entice teachers out of their existing arrangements. It will also be the case that the Australian government will want to use the Colleges to destabilise the public schools system, and so it may be that employment arrangements will remain attractive for sometime.

However, inevitably, additional pay comes at the expense of working conditions, and it is likely, particularly with the frequent use of "flexibility" as a concept in the Colleges, that schools holidays and other hours of work will be seen to be far too rigid in the current system, and at odds with the requirements of industry.

With high levels of casual employment in TAFE, employment in ATCs may be attractive to many current TAFE teachers. However, levels of casual employment in ATCs are likely to be unregulated and high, given the small number of students over a number of trades. TAFEs are already experiencing shortages of trained trades teachers. Duplication of courses and facilities is likely to exacerbate this problem.

### **What do ATCs mean for public education?**

Many of the 24 ATCs have been proposed in regional Australia, where it is difficult to see how the existing public year 11 and 12 schools could continue once an ATC has been established. Many regional areas simply do not have the students to currently sustain broad curriculum offerings even at present.

In particular, provision of VET in existing schools will be undermined by the departure of many students. If, as the current propaganda suggests, the ATCs are to attract the best and brightest, schools in regional areas that remain outside the ATCs will struggle to survive, and will be increasingly seen as residual.

While there appears to be a place for TAFE institutes within the ATC concept, the further opening up of the vocational education and training system which will be the inevitable outcome of the reorganisation of the system will greatly favour private providers and industry.

The aim of the ATCs is to further destabilise and undermine the public education system. Money will be thrown at them initially to attract students away from public schools. State and territory governments will have little option but to accept the initiative. Otherwise, they will be characterised by the Australian government as anti-vocational education and opposing a move which has gained some superficial popularity.

### **Will they solve the skills shortages?**

In many TAFE institutes around the country, trade facilities have been run down due to lack of funding and in some cases, lack of students. Many of these facilities have suffered because in order to run economically, they need to attract enough students to justify their existence. In many cases, TAFE institutes have had to close departments because they cannot afford to run the courses. The establishment of ATCs could further accelerate this trend, if students are drawn away from the public provider and enticed into private business facilities.

It is generally acknowledged that skills shortages are complex phenomena. Recent studies by group training companies, for example, point to a poor culture of training amongst Australian enterprises as the single largest contributor to skills shortages. During the 1980s and 1990s privatisation of many public facilities, combined with the push by many economic rationalist governments to reduce the size of the public sector saw a significant reduction in apprenticeships in the traditional trades. More significantly, traditional trades have failed to attract young people because of their appalling rates of pay and conditions of work. Industry refuses to address these more significant contributors to the skill shortage crisis, preferring instead to lobby the government to lift levels of migration in key areas to encourage an influx of cheap labour, or to pressure the government around initiatives like the ATCs.

### **How vocational education and training could be really be improved**

Recent attempts to introduce VET in Schools and to broaden offerings within secondary schools have been implemented in a climate where resources for education have been diminished, and where public provision has been under constant attack.

There is no doubt that the education system in its totality has been struggling to address issues around vocational education and training.

It would be overly simplistic to point to these issues alone, but any attempts to seriously deal with the problems that vocational education and training is supposed to solve in society require commitment from all levels of government, and all sections of society.

- A positive and collaborative partnership between all levels of government, and relevant communities and industry stakeholders.
- More funding and support for existing schools and VET courses.
- Supporting strategies and resource models to enable schools, TAFEs, industry and government to work cooperatively to meet community and industry needs.
- Closer links between existing courses and business and industry.
- Provision of regional/cluster VET coordinators and careers advisors for all VET students.

## **Conclusion**

Australian Technical Colleges are a populist and potentially dangerous attempt to score political points. They are not seriously intended to address skills shortages.

They are clear attempts to promote the Howard government's agenda of increasing privatisation and competition in education, further destabilising the public education system, undermining the work of state governments and other stakeholders in addressing the skills crisis, and removing the influence of trade unions both in education and in society.

Solutions to skills shortages and the disengagement of young people from education, particularly in the middle years of schooling, depend on the capacity of a society to provide a comprehensive public education to all its citizens. At the very least, strengthened partnerships between key stakeholders, which must include state and commonwealth governments, as well as key unions, community and industry groups are the only way to address both the skills shortage crisis, and the disengagement of young people from education. A number of initiatives within the states, including improved access to reliable careers counselling and a strengthening of the role of the local community in encouraging young people to remain in education and training are all important steps in addressing the problems.

The danger in initiatives like the ATCs is that they encourage competition between education and training sectors for already scarce resources, and encourage simplistic solutions to complex problems which require a whole of community response. State governments will be forced to redefine their work in these areas in order not to publicly appear to be "anti-trades", and other groups will join the scrabble for money.

While the involvement of industry in preparing young people for a future in the workforce is clearly important, it is critical that such preparation is balanced in such a way as to ensure that students maintain their autonomy, and their capacity to make informed decisions about their rights and their responsibilities.

Ironically, the Howard government's emphasis on making the education and training system, and ATCs in particular, industry focused and led comes after more than ten years of industry dominance in the VET sector which has delivered unprecedented levels of skills shortages across the whole Australian economy.

*Pat Forward*

*Roy Martin*

## **Summary of problems with ATCs**

### **Bad for public schools and TAFE**

1. They are intended to do in the VET area what the Howard Government's funding policies are doing in the more traditional academic areas – hollow out the public system by creating selective, better funded alternatives which leave the public system residualised.
2. TAFEs have already suffered a run down in trade facilities sparked by lack of funding. This will only be exacerbated.
3. They are designed as elitist institutes – selective VET schools. They will have selective entry and preferential funding. They are intended to head hunt the best VET teachers from existing schools and TAFE through higher pay.
4. They undermine the concept of comprehensive schooling and are a throwback to the old system of channelling students into specialist schools offering limited educational opportunities.
5. Whilst they may succeed, they will undermine existing schools and TAFEs. They are designed both to “succeed” and ensure that other schools fail. This is especially so as many are located in regional areas where schools already struggle to find critical mass in Years 11 and 12, particularly in the VET area.

### **Too closely connected to business**

6. They will be closely connected to one or two local businesses, providing what they want but limiting the capacity of students to move to other jobs. It has even been suggested that employment by the local firm and selection for the ATC will be linked. It is providing local business with their own private school. While the involvement of industry in preparing young people for a future in the workforce is clearly important, it is critical that such preparation is balanced in such a way as to ensure that students maintain their autonomy, and their capacity to make informed decisions about their rights and their responsibilities.
7. Students not in ATCs will find it harder to get the jobs particularly in regional areas.

### **Problems for Students**

8. Because of their size (only 300 students) ATCs will offer extremely limited choice of subjects with restricted opportunities to change direction.
9. Students will be expected to do a full leaving certificate and an SBNA, ie be in part time employment. They will probably have to work during holiday periods.

10. ATCs may have the latest equipment and good resourcing, but for those students who are not selected things will be even worse. They are not intended to cater for all who want that type of education, but only the select few, leaving the others worse off.
11. Other students will find it even more difficult to get work experience opportunities, and the capacity for schools other than ATCs to offer SBNA in conjunction with local industry may be undermined.

### **Gender Biased**

12. The trades selected by the Australian government are traditionally male dominated, and given this government's approach to issues around boy's education, no mention has been made of these issues. It appears that these colleges will be essentially boys' schools. Areas of skills shortage such as child care are not even mentioned in any of the material.

### **Unfair Funding**

13. They will not only receive all the funding that other public or private schools do, they will get extra from the Australian Government and probably from business. Meanwhile, ordinary schools will continue to struggle to find adequate funding for their VET courses.
14. It will further encourage competition between education and training sectors for already scarce resources while creating unnecessary and wasteful duplication of existing school and TAFE facilities.

### **Problems for teachers, unions and their members**

15. They are intended to offer AWAs, and higher salaries through "performance pay", and not be unionised. However, experience has shown this will come at the cost of conditions, especially loss of holidays and other "flexibility" arrangements. Teachers may find it difficult to get back into the public education system. Levels of casual employment are likely to be unregulated and high given the small number of students over a number of trades.
16. TAFEs are already experiencing shortages of trained trades teachers in many areas. Duplication of courses and facilities is likely to exacerbate this problem.

### **Governance arrangements**

17. The Chair of the Board must be from business or industry. The principal may not be a qualified teacher. Teacher professional judgement will be secondary to business interests.

18. It could produce some unusual governance arrangements, including the possibility of the odd situation of public schools being partners in private joint enterprises. Non-government schools may be partners on the same Board!
19. Because ATCs must be separately “badged”, the opportunity for real collaborative work with existing school programs has been missed despite the emphasis on flexibility.

#### **Based on Fallacies About Skills Shortage**

20. The ATC proposal is based on the fallacy that skills shortages are due to lack of training opportunities when, in fact, they are due to a complexity of issues, including poor pay and conditions in some entry level traditional trades, lack of investment by industry in apprenticeships, the failure of Australian industry to develop a training culture all lead to a lack of demand for training by young people.
21. The ATCs will duplicate existing facilities, waste taxpayers money, and provide no solutions to the existing shortages for five years.

#### **Improvement in the Delivery of VET in schools could be done better**

22. What is needed is a positive and collaborative partnership between all levels of government, and relevant community and industry stakeholders.
23. Improvement should include all schools and students involved with VET through more funding and support for existing schools and VET courses.
24. Supporting strategies and resource models should be developed to enable schools, TAFEs, industry and all levels of government to work cooperatively to meet community needs.
25. Provision of regional/cluster VET coordinators for all VET students would provide closer links between existing courses and business and industry.
26. All students would benefit from more careers advisors.