



BRIEFING PAPER

Skilling Australia: New Directions for Vocational Education and Training

Pat Forward
Federal TAFE Secretary

March 2005

The Department of Education, Science and Training (DEST) released a Direction Paper entitled “Skilling Australia: New Directions for Vocational Education and Training”. The paper sets out some alternatives - ‘possible models for a new national training system’ - in the lead up to DEST’s takeover of Australian National Training Authority’s (ANTA) functions in July 2005. DEST is currently consulting with “key stakeholders”, which in their own words include business, industry, training providers and other government departments about the directions outlined in the paper.

Although the foreword by the Minister contains strong commitment to nationally consistent qualifications and to careers this is not reflected in the guiding principles for the proposed changes which are at the beginning of the paper. These guiding principles fail to mention national and portable qualifications, or careers for students and workers, or recognition of the skills of existing workers, or quality of registered training organisations and conflicts of interest. The principles are dominated by the push for more flexible and accelerated pathways, removal of unnecessary regulation for providers, enterprise specific competencies, an end to time periods in apprenticeships and increased use of User Choice.

There is a lack of balance in these principles. Given that workers are more often in precarious employment and required to change their jobs more frequently broad based and portable qualifications are much more important than narrow, short enterprise specific training. This is critical for job security, industry and social development.

There is no evidence that the regulation of private providers is excessive. In fact there are still too many examples of apprentices and trainees not receiving training and of conflicts of interest between NACs, employers and private providers (especially when the provider and the employer are the same) to move to a more deregulated approach.

Other unions have made the point that the best approach to acceleration in some industries is where an apprentice is able to complete a higher level qualification in the nominal time for the apprenticeship, rather than simply cutting the time required in apprenticeships. This provides the industry with more flexible higher level skills and improves the career prospects for the apprentice. These same unions oppose the concept of allowing a tradesperson to complete off the job training without the necessary on the job experience. There are concerns by some unions that current poor level of supervision of some providers means that this will inevitably occur if the concept of time periods for apprenticeships is abolished as proposed in the paper.

Multilateral and Bilateral Funding Agreements

Discussions and consultations are proposed to occur during February and March to ‘inform the establishment of new arrangements from July 2005’. Once the new model has been finalised, the government intends to begin a separate process with the states and territories to finalise a new Commonwealth-State Training Funding Agreement. The Directions Paper does not encompass matters that will be the subject of the Training Funding Agreement.

However, the paper describes two separate sets of agreement making within the new process – a Multilateral Funding Agreement between the Australian Government and the States which sets the overall objectives and aims for the national training system and provides the mechanism for the release of funding to State Governments. This is consistent with the current ANTA agreement processes. The paper then describes a second set of Bilateral Funding Agreements to be negotiated separately with each State and Territory Government. These bilateral agreements ‘will provide flexibility to implement national priorities and establish performance levels that are relevant to each jurisdiction.’

The Paper says that the Australian Government will negotiate its funding offer to the States at the conclusion of the consultations, and also says that the current funding formulae for allocating funds to each State will continue under the new arrangements. However, the federal government will be seeking state agreement to ‘explore options for a revised more sophisticated funding model which takes account of the changing circumstances in States, including demographic factors.’

Establishment of Ministerial Council for Vocational Education and relationship with MCEETYA

The Paper restates the government’s intention to establish a Ministerial Council for Vocational Education from July 2005 as part of the new arrangements. The core membership of the Ministerial Council for Vocational Education will be the Australian and State Government Training Ministers, although the Australian Government will be represented by both the Minister for Education, Science and Training, and the Minister for Vocational and Technical Training. An Australian Government Minister will chair, and it is proposed that the current voting arrangements will remain. It is proposed that the Ministerial Council for Vocational Education will eventually meet annually, but twice a year in the early stages. The Paper proposes that DEST operate the Secretariat for the VE MINCO, although it suggests that there are other alternatives, including a stand-alone independent Secretariat, or outsourcing the responsibilities for the Ministerial Council for Vocational Education Secretariat to the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Secretariat. Currently, ANTA runs the secretariat for the ANTA MINCO.

The Paper argues for alignment between MCEETYA and Ministerial Council for Vocational Education, especially over issues that cut across both. It suggests that new arrangements should support ‘high level consideration of cross sectoral issues’ and proposes that streamlining of activities could occur through coordinated meetings and integrated secretariats. It acknowledges the risks, however, in an integrated model that ‘some issues in different sectors would not receive the appropriate level of attention.’

The Paper proposes that the Australian Government is ‘open to considering the benefits of’ expanding the Ministerial Council for Vocational Education to include higher education and employment. This would leave MCEETYA responsible for early childhood, schools and youth affairs, as well as issues which cut across all education sectors such as the Australian Qualifications Framework (AQF).

Narrowing of ANTA Board's representation and replacement of its functions

The Paper proposes two alternative ways of replacing of ANTA's function as a provider of advice to the training ministers. Both alternatives narrow further the representation that ANTA provided. The first proposal is for a business and industry advisory group (called the Industry Advisory Group) which will 'provide strategic industry advice' at Ministerial Council meetings. This group would be small, the Chair and deputy Chair would be Chief Executive Officers of major companies or successful small to medium enterprises and the members would be appointed by the Chair of the Ministerial Council for Vocational Education. This is consistent with the current practice with the ANTA Board, except that it narrows the representation to make it exclusively business and industry. There is no mention of a role for the ACTU on this group.

The alternative proposal is that the Ministerial Council would consult directly with industry through business and industry peaks. The Paper then suggests that either of the alternatives could be supplemented by an industry-government training roundtable – the National Industry Roundtable.

"Measuring performance" – from input to output

The Paper proposes changes to the mechanisms for developing training plans and reporting on the performance of the sector which would 'bring planning and priority setting into line with Commonwealth-State Training Funding Agreements.' This clearly signals a much closer link between the allocation of Commonwealth funds and state training activity. The proposal to shift from an inputs focus in terms of performance (most notably – student contact hours) to an output focus (client satisfaction levels, competencies and qualifications achieved) is also significant. The paper emphasises that 'Australian Government funding to each jurisdiction will be tied to satisfactory performance against targets and measures.' While this is consistent with the stated objective overall of shifting the focus of the whole system from "time served" to achievement – in the systemic case, achievement of outcomes – it fails to tackle the issue of real funding. Many of the current funding difficulties in the system arise from the unresolved tension between how much real time is actually needed to teach and learn (especially in flexible delivery, workplace delivery and RPL and RCC), particularly for individuals in a system set up originally for class groups, and how much the funding bodies are prepared to expend on the achievement of an outcome like competency, or a qualification. While student contact hours as a measure of funding or performance in the contemporary VET system is far from adequate, its complete abandonment is not the solution, and will potentially impact on teacher workload.

The quality issues

The Paper proposes the establishment of a National Skills Framework which will 'build on core elements of the National Training Framework'. The already announced Institute for Trade Skills Excellence will 'drive quality through consumer choice'. While not proposing that the Institute be a formal part of the regulatory framework, the Paper argues that it will provide 'an employer perspective on the quality of training in the traditional trades.'

The Paper also proposes that it be ‘a conduit for advice to governments and Industry Skills Councils on gaps or weaknesses in the trade training being offered.’

The Paper also proposes the establishment of a National Vocational Education and Training (VET) Quality Agency, based on the Australian University Quality Agency (AUQA) model. The Agency would ‘promote quality, conduct targeted audits of training providers and report on quality assurance in the training area. It could be formally established under the Ministerial Council for Vocational Education, operate independently of governments and the sector, and have an independent Board of Directors. This proposal is being floated as a “logical next step” for the training system given the large amount of cross-jurisdictional delivery, and off shore provision of training. The Paper is suggesting, for example that the Agency could deal with issues such as the additional regulation applied to User Choice training through contractual requirements, and the complexities around the differing registration and audit processes in each jurisdiction. The Paper suggests that the National VET Quality Agency may in time take on the role of registering and auditing RTOs operating across jurisdictions. It will be interesting to see how the states and territories respond to this suggestion.

The Paper is proposing to carry on the work of the National Training Quality Council, by either establishing a new body with the same functions – advising the MINCO on the National Training Framework policy and its implementation, overseeing training quality and endorsing Training packages – with a new name – National Skills Agency, or as part of the functions of the National VET Quality Agency. The body will directly report to the Ministerial Council not just through the department. The paper says that "increased scrutiny of accredited courses" will be required to ensure there is no duplication of training package qualifications. The Paper is proposing that the new body would have representatives from industry, business, the states, the Australian government and the ACTU, and an equity representative. This is the first mention of the ACTU, and it therefore seems to imply that other references in the Paper to “industry” do not automatically include the ACTU.

There is a strong argument for the proposed National Skills Agency to have an independent secretariat otherwise the State's commitment to it will wane and the danger of fragmentation of qualifications will emerge more strongly. The same may well apply to the new VE MINCO, where the current proposal is for a secretariat to be run by DEST.

There is an argument for the merging of National VET Quality Agency with the National Skills Agency. If this does not occur then it is possible that the National Skills Agency role in the area of strategic audit of training providers and dealing with areas of risk to quality from poor providers and subsidy arrangements will be truncated and this will make the body much less effective.

The so-called Centre for Trades Skills Excellence is a matter of concern. There would be less concern if the role of the body was confined to promotion of the trades, encouraging employer investment and take up, and awards for excellence for apprentices and providers.

However the paper suggests that this employer body will provide advice on the quality of training and will act as a voice for clients of the system and will provide advice on gaps or weaknesses in training packages. This totally ignores the apprentices as clients and reduces the client to the employer. It also ignores that fact that less than 20% of students in the system are trainees or apprentices. There is also a concern that it will encourage sectional criticisms of the skills councils, threatening their future. The paper also links the Centre to the drive for more User Choice. This opens up the danger that the rating system given to providers by the employer-dominated Centre could become a basis for allocation of commonwealth funding to providers. It also remains as an established structure in the event that negotiations over the funding agreement break down.

The Paper does propose the establishment of mechanisms for hearing the views of students, through the establishment of student roundtables on particular issues. It also refers both to the Australian Disability Training Advisory Council, and the Australian Indigenous Training Advisory Council.

The Paper proposes the maintenance of the existing revamped Industry Skills Councils (ISCs). The role of skills councils in providing advice on current and future skills needs is included in the paper. However, this role is not included as one of the priorities for the ISCs. This is a matter of concern as the ACCI is pushing to have this role taken away from the ISCs as they see this as a role for the employer organisations directly and through the expansion of the User Choice market based systems under their influence and direction. If the ISCs do not retain the skills planning role then their base for support, their credibility and their ability to ensure qualifications are relevant are threatened.

In summary, the Paper:

- Clearly proposes a two phased approach to the negotiation of the funding offer from the federal government – a multi-lateral and then bi-lateral negotiations. This could result in further fragmentation of the system as state and territory governments are played off against each other, something which has occurred in the past, but which will now be formalised by the arrangements themselves.
- Signals a significantly diminished role for trade unions in the reorganised system – particular in key decision-making bodies. While the existing situation was far from perfect, these arrangements will narrow the role of the union movement in the training system.
- Contains no funding offer in itself, and gives no hint about what quantum could be expected in any funding offer.