



28th February 2011

The Productivity Commission
Level 28, 35 Collins Street
MELBOURNE VIC 3000

Dear Commissioners

Re: Productivity Commission Draft Research Report Vocational Education and Training Workforce

The Victorian TAFE Association (VTA) and TAFE Directors Australia (TDA) have previously provided a detailed submission to the Commission in August 2010 in response to the original discussion paper on the Vocational Education and Training Workforce. This is our joint response to the Commission's draft research report on the Vocational Education and Training Workforce (November 2010).

Background

The Victorian TAFE Association (VTA) and TAFE Directors Australia (TDA) are in agreement that a capable and competent VET workforce is fundamental to the achievement of the Government's productivity agenda.

Australia's 59 TAFE providers offer approximately 85% of accredited training in more than 1300 locations across all states and territories. Collectively TAFE providers are responsible for 84.3% of total training delivery therefore it can be safely assumed that TAFE providers employ around 80% of the VET workforce. This workforce is ideally placed to deliver on the key policy drivers – quality, participation, student attainment, access and pathways – ultimately leading to improvement in national productivity.

TDA and VTA response to the Productivity Commission Draft Research Report (November 2010).

Overview

TDA and VTA highlight the wide diversity in the size, qualification profile and orientation of TAFE providers across, States, Territories and regions, and metropolitan/regional. TAFE providers vary from community colleges primarily serving local communities to large institutes with numerous campuses engaged in domestic and international markets, and offering degrees to dual sector (multi sector) institutes working across VET and Higher Education.

In this respect VTA and TDA affirm the notion of a 'tertiary' sector which builds on the signature strengths of the higher education sector and the vocational education and training sector. The traditional strengths of the VET sector cannot be interpreted narrowly in terms of apprenticeship training, training for equity groups and second chance education.

Key findings in the Productivity Commission report

TDA and VTA are in principle agreement with many of the key points and findings in the Productivity Commission Draft Research Report. At the same time we believe the Report raises a number of issues that require further consideration; and the research is incomplete without some discussion around resourcing and the locus of responsibility at a national level for developing a framework for development of the VET workforce.

With the proviso that public TAFE providers are subject to the rigours of Government ownership, TDA and VTA are in broad agreement with the following Productivity Commissioners findings:

- *The proposition that the emerging tertiary sector might improve pathways and education outcomes for students, including those who experience disadvantage, but it is important that these improvements not diminish the traditional strengths of the Vocational Education and Training (VET) sector. (Chapter 2: Draft Finding 2.1)*
- *The Productivity Commissioners characterisation of VET practitioners as predominantly dual professionals, with both vocational and educational skills; older than the wider labour force; with high rates of non-permanent employment, compared to the workforce; highly mobile, with over 80 per cent changing jobs within the sector during their career. The intentions of many older VET workers to keep working, and the sizeable inflows of new workers into the sector, should contribute to the aggregate supply of VET workers in the short and medium term. (Chapter 3: Draft Finding 3.1)*
- *That over the medium term, in the context of a tightening labour market, the VET workforce will be expected to deliver a greater volume of training, increase the quality and breadth of its training, cater for a more diverse student population, and operate under a more contingent and contestable funding system. (Chapter 6: Draft Finding 6.1)*
- *The concern that consistent national data about the size and characteristics of the VET workforce are lacking. Lack of quality data is an obstacle to effective policy making and workforce planning at any level, and to efforts to improve the capacity and capability of the workforce.(Chapter 7: Draft Finding 7.1)*
- *That wage structures in the TAFE sector take no account of the relative scarcity of industry skills being sought. As a consequence, TAFE can find it difficult to attract and retain some VET trainers and assessors with particular industry skills without resorting to over award payments, while other VET trainers and assessors may be paid more than is necessary to recruit and retain them as trainers and assessors. (Chapter 7: Draft Finding 7.2)*

- *That industry currency is not well-researched or understood. While currency is often equated with industry release, or work in industry, maintenance of currency can occur through a variety of activities. There is evidence of currency gaps in the current workforce, particularly among those who have worked full time in the VET sector for more than 10 years. Continuing professional development systems need to identify and address these gaps. (Chapter 8: Draft Finding 8.4)*

TDA and VTA comment on the Report findings and recommendations

TDA and VTA take the opportunity to comment on a number of the specific findings and/or recommendations.

Draft Finding 4.1

A move towards greater managerial independence for public sector VET providers is likely to better enable them to respond to the more competitive environment they now typically face. However, the adoption of a full corporate model for public sector registered training organisations (RTOs) is unlikely to be appropriate, given the number of non-commercial objectives public providers are likely to have, and the desire for governments to retain both ownership and control. (Chapter 4)

Comment:

VTA and TDA agree in principle that moves toward greater managerial independence may enable public sector VET providers to respond to the more competitive funding environment, but this needs to be considered in the context of what is possible in each jurisdiction. Governance arrangements for example for Victorian TAFE providers differ markedly from other jurisdictions. The Victorian institutes have significantly more autonomy in contrast to institutions in other State and Territory systems.

VTA and TDA support the view that the adoption of a full corporate model by governments would be inappropriate. An over emphasis on commercial and competitive drivers in the governance of public sector RTOs runs the risk of compromising their capacity to achieve the traditional social objectives and community service obligations.

The Victorian experience of operating in a fully contestable market provides a demonstration of the conundrum by which governments want to create a competitive VET environment, whilst also wanting to retain both ownership and control of the public component of the VET sector. The operating environment for Victorian TAFE providers has changed within what appear to be contradictory policy settings and TAFE providers are of the view they are competing with their hands tied behind their back. The complexity is further exacerbated with the policy debate around the notion of a *Tertiary Education Sector* and a lack of clear consensus by policy makers of that nomenclature.

Government policy is driving all providers (including TAFE) into a more contestable market. Parallel policy promises proportionate, and risk based regulation. However the relationship is clouded by the role of government as the owner with the capacity to regulate TAFE; and the role of TAFE as a provider in this competitive market.

Victorian Institutes report that they are being burdened by the emergence of an increasingly intrusive and prescriptive regulatory regime. Where, unlike private providers, they are constrained by the need to comply with government prescribed requirements including industrial relations policies and wage frameworks; executive remuneration; investment guidelines; and marketing guidelines.¹

Compliance extends to both public and commercial activity and there are no clear lines of demarcation between the government as the funder of VET; and the owner of the public system.

Draft Recommendation 7.1

The Ministerial Council for Tertiary Education and Employment should engage the National Centre for Vocational Education Research to develop a comprehensive instrument with which to identify the VET workforce as soon as practicable. This instrument should focus on measuring and describing the workforce, but not unduly increase the response burden for providers.

Comment:

The Report importantly identifies the need to collect and analyse standard data on the VET workforce. This would support more effective needs analysis and monitoring of outcomes to inform policy, program and practice developments.

VTA and TDA agree there is a need for a data collection on the VET workforce but it may be pre-emptive to commission NCVET to undertake this work before there is State and Territory agreement on the metrics for measuring and describing the VET workforce (financial, numbers, employment definitions), what information needs to be captured and when and how that information value adds to the operation of TAFE providers.

The capture of better data also needs to be done within the context of avoiding any increase in the burden of data collection. There should be an examination of existing data collections to ensure any new instrument where possible replaces multiple collections, retains constructive practice, and uses common definitions so that aggregated data is reliable and jurisdictional data is comparable. This last point is fundamental to any work to be undertaken to measure and describe the VET workforce.

There would also need to be consideration of the incentive for providers to collect and provide the information to a third party. Current provider reporting requirements are costly and the scope for learning is limited by the general failure to pass back salient information to the sector in a timely manner that could add value to the efficiency or effectiveness of their workforce planning.

¹ Victorian TAFE Association Submission: Victorian Competition and Efficiency Commission Inquiry into Victoria's Regulatory Framework [VCEC Website: Inquiry into Victoria's Regulatory Framework](#)

Draft Recommendation 7.2

The National Centre for Vocational Education Research should consider the information required to allow the critical determinants of quality teaching to be investigated quantitatively, and consider the best means of capturing student and industry satisfaction with the VET workforce.

Comment:

The rationale/business case for gathering information on student and employer satisfaction is understood. Typically TAFE providers collect data on student and employer satisfaction as an integral part of internal quality improvement processes and for AQTF compliance purposes. We note however that data collected by TAFEs on student satisfaction in compliance with the AQTF are not subject to agreed protocols and processes. Consequently, comparability of outcomes and potential benchmarking are compromised. Other data collection tools are highly customised or unique to organisational needs

We are sympathetic with the recommendation in the report on the Quality of Teaching (Wheelahan 2011) that 'ideally, one instrument should be used to reduce the burden on students and to produce nationally consistent and reliable data'. We would add that the burden on RTOs must also be minimal and the underpinning processes and protocols must be developed and agreed with RTOs charged to administer and report to the collection agency. We encourage innovative approaches that measure the quality of teaching. We are also open to discussions regarding the publication of outcomes at the individual RTO level.

Draft Recommendation 7.3

State and Territory governments should not have jurisdiction-wide industrial agreements for the TAFE sector. Current arrangements include caps on the use of casual staff, are prescriptive on hours to be worked in TAFE and encourage uniform wages and conditions. These have the effect of limiting the ability of TAFEs to respond quickly to changes in demand and disadvantage them relative to private RTOs. TAFE providers should be able to select the mix of employment arrangements, supported by contemporary human resource management practices, that best suits their business goals.

TDA and VTA support this Recommendation, however the complexity of the current industrial agreement arrangements across different States and Territories currently makes this difficult to achieve without substantial changes in legislation and government policy. For example both Victoria and the ACT governments have referred their industrial powers to the Federal Government. This creates a two tiered industrial system for TAFE across Australia. It was a State Government policy decision in Victoria to mandate a jurisdiction-wide industrial agreement. Where other States and Territories have retained their industrial powers, it would require legislative (and possibly policy) change to remove jurisdiction wide industrial agreements.

Draft Recommendation 8.1

The Certificate IV in Training and Education (TAE40110) should maintain its status as a high risk qualification. Auditing by state and territory regulators of RTOs with this qualification on their scope need to be more frequent and more intensive.

Comment:

VTA and TDA find the opening sentence to this Recommendation misleading and believe it needs to be more clearly stated. We question the assumption that TAE40110 is a “high risk qualification”. The qualification itself is considered to be a suitable preparation for entry level VET practitioners. The risk associated with the qualification comes in its delivery by poor quality providers.

The current arrangements for assuring the quality of VET teaching are not satisfactory. Few in the VET sector have not heard stories of the Certificate IV Training and Assessment being obtained over a weekend. While the ability to place this important qualification on their Scope of Registration is available to all providers variable delivery models will persist creating doubt regarding the quality of the qualification achieved and graduate outcomes. As a minimum, the huge disparity among RTOs between delivery models of the entry level Certificate IV qualification, whether the TAA40104 or TAA40110, must be addressed.

As stated we consider the Certificate IV in Training and Education to be a suitable entry level qualification however it should not be promoted as the VET qualification for VET practitioners, rather it should be seen as the starting point for the on-going development of professional expertise. The Certificate IV in Training and Education as an entry level qualification and does not sufficiently prepare new teachers for the range of learners engaged in VET nor does it expose teachers to a broader theoretical knowledge which could better inform their choice of delivery modes and characteristics.

While TAFE institutes do not have an a single view on the most suitable option for an entry level VET teaching qualification, they do agree it is an opportune time to review the requirements and set in place rigorous evaluation of the suitability of the Certificate IV TAE as an entry level qualification particularly for delivery in institutional RTOs and in some industry settings. Irrespective of the qualification levels, an important issue requiring further discussion is the place of teacher practice, in education and training oriented work places, in the delivery of the courses. It is suggested that as a matter of priority the Productivity Commission consult with Innovation and Business Skills Australia (IBSA) on the findings of this Study to inform the current review of the Diploma of Training and Assessment.

Inevitably any discussion of the Certificate IV TAA or TAE will invite comment on the importance of industry currency of VET teachers. We request as part of this Study that, with the guidance of Industry Skills Councils, a common understanding of *industry currency* might be agreed and communicated.

We support registration guidelines for RTOs, whether at the state or national level, that require providers of VET have a strategic plan that details the overall vision, mission, and strategic directions of the provider and clearly indicates that provision of vocational education is a primary purpose. We agree that more frequent and more intensive auditing can be an effective way to improve regulation but this should not be applied in a blanket approach to all RTOs with this qualification on their scope. Under current regulatory systems (and under the proposed new National VET Regulator) auditing is driven by a risk based approach which aims to focus the regulatory effort on those RTOs that pose the greatest risk to quality.

Frequency and intensity of auditing should be linked directly to the risk profile of the provider and while we would acknowledge that public ownership cannot be viewed as a proxy for quality, we would assert that TAFE providers present a low risk to poor quality delivery.

Draft Recommendation 8.2

State and territory regulators should publish information on audit outcomes and performance indicators for RTOs, to further incentivise providers to focus on quality training and assessment.

Comment:

VTA & TDA support this Recommendation in the spirit of encouraging transparency and improving quality in the VET sector. Both the VET and Higher Education sectors are currently subject to audits under the AQTF and AUQA respectively, with different levels of public scrutiny. The AUQA audit result is available on the AUQA public website but the outcomes of VET audits are not publicly listed, although providers can choose to put their AQTF audit results on their own website.

Draft Recommendation 8.3

Industry and Business Skills Australia should amend the Evidence Guide for TAEDEL401A to require those seeking to demonstrate competence at the Certificate IV level to prepare and deliver at least four consecutive supervised training sessions. An assessor from outside an RTO delivering the unit should evaluate a student's competence through observation of two of these sessions.

Comment:

VTA and TDA are cautious in our support for this Recommendation. We are not convinced this is the most appropriate solution and that it may cause more problems than it seeks to solve. A number of issues require further exploration before such an amendment is considered including:

- Resourcing implications – including purchasing guide/s and associated funding arrangements for changed assessment requirements. Jurisdictions do not have a common approach to funding assessment of practical course components.

- The need to review against compliance with industrial agreements.
- The concept of a peer review process using experienced and practicing VET practitioners to undertake the assessments.
- The degree to which internal or external assessments occur could be linked to the risk profile of the organisation.
- The potential for businesses to set up selling this assessment service exclusively.
- The need to ensure there is a feedback loop so that improvement can be noted in subsequent observations.

Draft Recommendation 8.4

Within two years of commencing employment, VET practitioners should have completed the Certificate IV from TAE10. Industry experts, working under supervision, should be encouraged but not required to obtain a Certificate IV in TAE. Within two years of commencing delivery of training or assessment, enterprise trainers and assessors working under the supervision of someone with the Certificate IV, should have completed the Skill Set relevant to their role.

Comment:

Ideally all VET practitioners would have completed the Certificate IV TAE40110 or be able to demonstrate equivalent competencies before commencing their employment. Where this is not the case we strongly support a maximum two year timeframe only for commencing VET practitioners to achieve the qualification. Further we believe that two years not five is an appropriate transition period for existing VET practitioners to gain a full Certificate IV. Human nature will take the longest route. If five years is allowed, five years will become the practice. Two years is ample time for either commencing or existing VET practitioners to complete this qualification.

Draft Recommendation 8.5

In order to improve delivery to Indigenous VET students, VET providers should attempt to secure the services of more Indigenous VET workers. Possible strategies include ensuring the presence of Indigenous staff members on recruitment panels and charging an Indigenous HR manager with attracting, coordinating and retaining Indigenous employees across their organisation.

Recognising that it is difficult for VET to attract skilled Indigenous VET workers who are also being sought by industry, the VET sector should also put in place strategies to support Indigenous students to complete their studies within the VET sector.

Comment:

VTA and TDA agree with the sentiment/intent of this recommendation but we recognise the difficulties in attracting and retaining Indigenous staff members. TAFE providers as a rule have EEO policies and diversity strategies designed to improve the ratio of Indigenous VET workers. They acknowledge that in general we are starting from a low base of Indigenous

staff and there is a need to expand the pool of indigenous people working in the VET sector². Our comments in relation to Draft Recommendation 7.1 are also relevant here.

In some jurisdictions strategies to improve education and training delivery and to achieve quality education, training and employment outcomes for Indigenous students form part of the Performance Agreement/Strategic Plan that each TAFE institution signs with their State Training Authority.

For example in Victoria every TAFE provider is required to maintain a *Wurreker Implementation Plan* to increase successful participation of Koorie students in education and training.³ As part of the implementation of Wurreker, the institute is required to achieve progress towards the Victorian Government Koorie employment target. The TAFE Board is responsible for the achievement of the *Wurreker Implementation Plan* the outcomes of which include employment of Indigenous people; employment within the institute contributing to achieving State Indigenous employment strategy targets; career development for Indigenous staff; providing cultural awareness training opportunities for institute staff; aiming to increase the institute's Module Completion Rate (MCR) and Course Completion Rate for Koorie students; and aiming to increase enrolments by Koorie students in higher level vocational education and training qualifications (Certificate III and above);

The governing body of each Victorian TAFE provider is required to report against these outcomes.

In the short term a strategy may be to increase the efforts made in cross cultural training of VET teachers delivering to Indigenous students. A more sensitive but relevant issue which presents a barrier to encouraging more Indigenous VET workers to work with Indigenous students is that Indigenous people often comment that they do not want to work in positions related to their Indigenous status.

Draft Recommendation 8.6

State and Territory governments should assess the adequacy of funding provisions for ongoing professional development of their VET workforce. Nongovernment RTOs should identify capability needs within their workforces and target funding accordingly. Professional development should be a joint responsibility of RTO employers/owners and employees. Industry and Business Skills Australia should consult with the sector and develop options for ongoing professional development that address competency gaps and/or contribute to further capability development. **

² For example State Services Authority data in Victoria identifies 103 Indigenous staff across all Victorian TAFE providers which constitute 0.4% of the TAFE VET workforce.

³ The *Wurreker Strategy* is a partnership agreement between the Victorian Government and the Victorian Aboriginal Education Association Incorporated.

Comment:

**This Recommendation contains a number of elements that may benefit from being separated out.

VTA and TDA agree that State and Territory governments have a responsibility to fund the provision of continuing professional development (CPD) for their workforce i.e. the public VET sector. The quantum of this funding needs to be regularly reviewed to ensure all governments are contributing effectively to the quality of VET teaching in their jurisdiction.

VET is fundamentally in the business of providing education and a variety of research studies in Australia and overseas consistently affirm that no part of an education system is more vital than the quality of its teachers. As such we do not support an events based or ad hoc approach to CPD that leads to random acts of improvement.

The CPD should be structured to provide an integrated strategy that encourages on-going development and reflective practice. VTA and TDA support a professional learning framework approach such as that created by the TAFE Development Centre in Victoria which aims to meet the strategic priorities of TAFE providers and the practice priorities of VET professionals. In tandem TAFE providers have the flexibility to design CPD to meet their individual workforce development needs.

We would also assert that in the absence of a current national CDP strategy there is a role for the Commonwealth to reassess their role and seize this opportunity to take a lead in funding the development of a workforce development framework to support nationally consistent approaches to CDP.

We assume the reference in the report to Industry and Business Skills Australia should be Innovation and Business Skills Australia (IBSA) – the Industry Skills Council responsible for the Training and Education Training Package. Any consultation with the sector, whether undertaken by IBSA or another agency, must align the sector views with a national framework for workforce development.

In any case the metrics to measure professional development effort and outcomes need to be agreed across jurisdictions so we have meaningful data for future planning and implementation of CPD.

We refer you to the TAFE Development Centre in Victoria (www.tafecentre.vic.edu.au) and the recent final report on the quality of teaching in VET accessible at <http://austcolled.com.au/announcement/study-quality-teaching-vet>.

Draft Recommendation 8.7

Governments should not endorse or contribute funding to a registration scheme for VET trainers and assessors.

Comment:

VTA and TDA strongly support this recommendation and reiterate a key message from our original submission on this issue - that there is no consistent view from TAFE providers (and others) on the benefits of registration for VET practitioners and other professionals. It appears there is little connection between VET professional registration and peoples' perception of teaching as being a worthwhile career. A self-regulating professional association designed to promote 'professional practice' may be a better focus for raising the professional status of those who work in the VET sector.

We refer you to the recent final report and recommendations on the quality of teaching in VET accessible at <http://austcolled.com.au/announcement/study-quality-teaching-vet>.

Extract from Original Joint TAFE Submission to the Productivity Commission August 2011

Key Messages

The responses by TAFE providers across Australia in this submission are comprehensive and they signal clear messages that provide some 'fingerpost' issues to the further generative thinking, research and policy advice that the Productivity Commission may wish to consider, in its task to examine the Education and Training Workforce.

The key challenges and opportunities for TAFE in workforce development distilled from the responses are:

- ☐ The demand for continuous professional development across all sectors of the TAFE workforce to enable them to deal with changes driven by governments, industry, social and economic conditions, and technological developments. While it may not always be true that a more highly skilled workforce will increase productivity it is a stylised fact (i.e. more often true than not) that a less skilled workforce will reduce productivity.
- ☐ The older age profile of the VET workforce poses a challenge in terms of retention of capability and an opportunity for regeneration. Incentives to attract and retain older workers will be as, or more, important than incentives to attract younger workers. But TAFE can also expect to see a more mobile and flexible workforce, more fluid in employment attachment and more likely to enter, exit and re-enter the workforce according to personal experiences and needs.
- ☐ Given that TAFE providers continue to be the dominant providers of VET, any effective policy interventions and increased investment geared towards improving the VET workforce should focus on the developmental needs of VET practitioners, VET Professionals and General Staff working in TAFE settings.
- ☐ The pressure on TAFE (and vocational education) to 'fix' broad social and economic problems and the obligation to respond to public policy goals/settings. This requires more flexible and adaptive teachers with a broad range of inclusive teaching skills in addition to specific content knowledge and industry experience. It may also result in a change in the workforce profile of TAFE with the increase of different staff employed to cater for more learners from disadvantaged backgrounds.
- ☐ The need to develop measures of workforce productivity that go beyond simply increased student contact hours and more done with less. The emerging tertiary education sector, the drive for higher qualifications and the blurring of education boundaries means cross sectoral provision, is assuming an increasingly important role for TAFE. The TAFE workforce is now required to operate across institutional structures, regulatory and accountability frameworks. The skills, qualifications and productivity of TAFE practitioners is not and therefore cannot be confined to the siloed view of the VET sector.
- ☐ The need to re-examine the current methods of measuring VET workforce performance to capture more than just the volume of workforce inputs and outputs to include their quality, scope and potential to improve productivity. A useful response to these types of workforce

issues may be to develop metrics that have a direct line of sight to creating effective organisations.

☐ The need for a national data base on the characteristics of the VET workforce including qualifications. Individual TAFE providers generally hold this data and will use it for planning purposes but there is no coherent national picture of the VET workforce which would allow providers, regions, States and Territories to benchmark on the characteristics.

☐ The increasing requirement to respond to the impacts from the emergence and perhaps more significantly the convergence of technologies that are rapidly shaping new practice in industry, enterprise and education. The emergence of a critical mass of teachers and trainers who are well prepared to incorporate e-learning into their practice and have the skills to use e learning in transformative and innovative ways will not happen organically. It will require further investment in a well planned and well resourced national workforce development strategy for the VET sector.

☐ The growth of international delivery off-shore has resulted in TAFE providers building significant capability in exporting vocational education and working off shore. Consequently they have had to broaden their skill profile and grow a workforce (both domestically and in country) capable and qualified to support these endeavours. This area of provision will continue to grow into the future and will assume increasing importance in the recruitment and workforce development strategies of TAFE.

☐ There is no consistent view on the benefits of registration for VET practitioners and other professionals. It appears there is little connection between VET professional registration and peoples' perception of teaching as being a worthwhile career. A self-regulating professional association designed to promote 'professional practice' may be a better focus for raising the professional status of those who work in the VET sector.