



## **NATIONAL RESOURCES SECTOR EMPLOYMENT TASKFORCE (NRSET)**

### **RESPONSE TO NRSET DISCUSSION PAPER, “RESOURCING THE FUTURE”**

**From**

**TAFE Directors Australia**

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## **Submission by TAFE Directors Australia to the NRSET Paper, 'Resourcing the Future', with emphasis on the role of TAFE institutes in meeting the resource industry's skills needs**

TAFE Directors Australia welcomes the paper "Resourcing the Future", published by the National Resources Sector Employment Taskforce (NRSET), for the specific attention it gives to the role of education and training in meeting industry skills needs. Too often, when the skills needs of an industry or group of industries in this country are considered, the actual and potential contributions of the education and training sector are not canvassed adequately.

In this case, the NRSET paper acknowledges the major role education and training can play. As the paper says, the resources sector is a unique industry and its skills training needs are complex and influenced by factors specific to that industry.

The purpose of this submission is to highlight the particular contribution which the Australian TAFE system can play in helping the resources industry to meet its skills training needs, now and into the future.

TAFE is a specialist in the provision of vocational education and training, particularly for those already employed and for those requiring re-training or up-skilling to meet industry's changing needs. TAFE institutes deliver the full range of accredited courses, including degrees and short customised courses to meet the specific needs of an industry or company within an industry, and are active training providers to the resources sector.

The TAFE institute network, a truly federal state and territory partnership, is recognised as being among the top five vocational education systems in the world. Most Australian TAFE institutes rank with leading vocational training institutes in North America and Europe. Enrolments have risen to some 1.68 million students a year.

TAFE Directors Australia, established in 1999, represents the leadership of Australia's 59 TAFE institutes across all states and territories. TDA has a national secretariat based in Sydney and is focussed primarily on policy development and advocacy for TAFE institutes.

As the peak body representing TAFE institutes, TDA makes this submission, both to draw the Taskforce's attention to the role of the TAFE sector and to provide comment and advice on the specific questions posed by the Taskforce in its paper.

To reflect on the questions and to ensure our advice was well grounded, TDA established an ad hoc working group comprising TAFE institute chief executives whose organisations were already well represented and committed in the provision of vocational education and training to the resources sector. The composition of the TDA working group is set out in Appendix 1 to this submission.

In this submission, we have responded seriatim to the questions 15 to 30 inclusive. TDA notes with interest that the current and immediate future labour market needs of the resources industry offer an opportunity for partnering with TAFE institutes. While the resources industry has to date relied in large part on 'in house' training for both its new and existing employees, TAFE institutes have the capacity and the enthusiasm to work with the industry to help meet its skills training needs.

It is here that there needs to be a closer connection between the sector and TAFE institutes. Mining and construction companies seem to have no problem or concerns about the quality and expertise of TAFE institute teachers, judging by the industry's targeting of TAFE teacher employees for employment in their skilled trade vocations.

What is missing is a matching level of confidence by the resources sector in looking to TAFE institutes to meet the industry's skills training needs across all trade levels and categories by recruiting TAFE graduates. The TAFE system can produce students who on completion of their training can meet the quality specific needs of the industry. Achieving this requires dialogue and enquiry by both parties.

The statement in the paper that 'Most (trade employees) come to the sector already qualified' is concerning in itself. There is little evidence or acknowledgement in the paper of either the desirability, or the need to work with TAFE institutes in preparing people to enter the industry qualified to undertake skilled work. The industry appears not inclined to commit significant resources to initial or pre-employment training.

Similarly, the TAFE system needs to be funded by government and industry appropriately, to ensure a strong and sustainable system which will guarantee a strengthened capacity for skills development, innovation and responsiveness. While TAFE institutes are always ready to respond to specific industry needs and demands, this is best undertaken within a strong, stable and vibrant system. This notion is supported by the recently released Skills Australia paper, "Australian Workforce Futures: A National Workforce Development Strategy".

There are a number of highly successful partnerships between TAFE institutes and resource and construction sector companies and organisations. One productive outcome of the Taskforce's deliberations could be an official fostering of these training partnerships and an encouragement for others.

In our responses detailed below to the paper's questions, we address these and similar issues.

**15. How can we fully understand future skills requirements and best allow the market to match skills requirements to available work opportunities?**

The universal raising of school leaving age across the country has impacted severely on the traditional apprenticeship routes to trades based employment for so long the transition point for many young people. The majority of young people enter the workforce are aged 17, with little effective vocational advice in relation to employment sectors such as natural resources. The industry should place greater emphasis on supporting young people through flexible apprenticeship training models.

**16. How responsive is the education and training system to the resources sector's skills requirements? How could responsiveness be improved? How effectively are industry skills requirements conveyed to the education and training system in a timely and operational manner?**

The Australian TAFE system has undergone major structural and program delivery change over the last decade. TAFE institutes now provide 'on the job' training for employees customised to industry/employer needs, recognition of prior training to 'fast-track' employees in training, work place delivery, where TAFE teachers attend on site to deliver training programs using flexible delivery methods. TAFE is now more positively inclined to partner with other RTOs, and with employers to optimise training outcomes as specifically required by employers. In some ways, TAFE institutes are ahead of the industry when it comes to innovative thought about meeting skills training needs. The challenge for TAFE in regional and remote settings characteristic of the industry's operating milieu, are the thin markets where employees often need a wide range of skills to operate autonomously. The solution is to focus on 'skill sets' for which TAFE institutes can package training solutions.

**17. What reforms would make the apprenticeship and wider skills formation system more sustainable for the resources sector and less vulnerable to shifts in economic demand? How can apprenticeship completions be improved?**

Wider skills formation can best be enhanced through legislative changes to apprenticeship and other regulated training arrangements. This is a matter for federal and state governments. Industry encouragement of different training pathways, for instance, indentured and non-indentured, which lead to quality outcomes, would be welcomed by TAFE institutes. A practical immediate measure to 'fast-track' training would be to align the new DIAC/TRA general skills migration model to a domestic institutional pathway model, enabling immediate placement but trade certification subject to obtaining experience on the job. This could take the form of alternative forms of trade training, including the 'Trade Diploma', a concept espoused by TDA in other forums<sup>1</sup>. Apprenticeship completion rates could be significantly improved through better remuneration benefits, particularly where apprentices are based in regional or remote settings. At the input end, government funding priority and industry assistance to improve literacy and numeracy levels at pre-apprenticeship stage, is essential.

**18. What are appropriate methods of trade training which could be utilised in the resources sector? What are the alternative models of trade training that might be trialled in the resources sector?**

The short answer is that the full spectrum of training models is applicable and desirable for the resources sector. These range from fully on the job type training through traditional 'block release' (the conventional apprenticeship model) to a fully institutional (or institute based) training program. Within these broad options are numerous variations of effective individual training programs which can be negotiated between, employer, TAFE and the

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<sup>1</sup> Appendix 6 TDA and Group Training Australia submission, Supplementing Pathways to an Apprenticeship

employee/trainee concerned. For instance, WA is well advanced on fully on the job training with its Transforming Trade Training package or TTT. This is an innovative, flexible delivery model which engages employers, apprentices and the TAFE institute in an agreed 'mix' of on and off the job training. TTT Polytechnic West has already developed models for 19 trades along these lines, all of which have been well received by the sector (Refer Appendix 2 for further details).

**19. How can the resources sector contribute to the identification and development of skills for sustainability in preparing for future skills needs?**

There is already a strong impetus in TAFE program planning and wider training package development for the VET sector to incorporate 'green skills' and sustainability concepts into qualifications and skill sets. TDA acknowledges the considerable research being undertaken by the resources sector on sustainability. TDA again draws attention to the interest of TAFE institutes in cooperating with the sector in this important work. Industry Skills Councils are currently giving priority to developing a 'stand-alone' green training package, articulating into a higher education qualification. This would be especially pertinent for the resources sector which is encouraged to support the ISC work.

**20. To what extent does the use of FIFO create issues for apprenticeships, training and skills development?**

FIFO requires more flexibility in scheduling 'off the job' training, on the part of TAFE institutes and employers. It would be advantageous to utilise on-line delivery to provide underpinning knowledge in such situations.

**21. What more could be done to increase the number of school leavers employed in the industry, including under Australian Apprenticeship arrangements?**

First, develop and implement additional institutional pathways to employment in the industry. Not only is the higher school leaving age (see earlier comments) relevant here but institutional pathways also allow more students to take up a trade pathway even when the industry is in an economic 'lull'. School apprenticeships can also assist in attracting interest in the sector early. But the industry can also play its part. Scholarship provision to attract and encourage high performing students, establishment of mine occupation training camps to familiarise young people with the nature and conditions of mining environments, to reduce 'first shock' effects and dispel ignorant prejudices.

**22. How can the resources sector make the best use of the accredited and non-accredited (qualifications versus skills) training system (including Australian Apprenticeships) to prepare for its future skills needs?**

The resources industry needs to place greater value and recognition on skills set completions as valuable outcomes of training in their own right and take advantage of well established TAFE short courses such as First Aid, Marcsta,

dogging and rigging and the range of other vocational programs TAFE institutes offer to undertake this work.

**23. What more can be done to recognise the skills that resources sector employees acquire 'on the job' and through unaccredited training?**

Use the 'Train the Trainer' model, utilise RPL and link up-skilling to remuneration. Implement RI Skills Passports' to foster skills transfer between employers and lobby government to acknowledge that training in remote areas is expensive and needs to be funded accordingly.

**24. Under the new demand driven system of funding universities, how can we ensure an adequate number of higher education graduates in disciplines that are relevant to the resources sector?**

For VET, ensure that articulation pathways are in place and that these are negotiated with TAFE institutes, not imposed by universities arbitrarily. Indeed, it would be appropriate for the resources sector to take the initiative in working with universities and TAFE institutes simultaneously to develop programs and pathways and so avoid the two education sectors having to retro-fit articulation and credit arrangements. Also, the exclusion of TAFE institutes that offer vocational degrees from accessing the new demand driven funding system by government policy decision is short-sighted and counter-productive to the objective of creating new and additional higher education places. The development of two year associate degree courses, and/or Foundation Degrees as in the United Kingdom, in partnership between the industry and TAFE institutes would provide an effective short-term solution for producing more trained professionals in the industry. Progression to a full degree would need to be contingent on completion of appropriate work experience in the industry.

**25. What else needs to be done to encourage people to pursue careers in the resources sector, both in the construction and operational areas? To what extent can it be promoted as a pathway to careers in other sectors?**

Market the industry in schools, fund improved careers advice and counselling and be more open about the nature of FIFO work and experience. The industry needs also to face up to the need to support pre-employment education programs and not rely on attracting skilled workers from other industries, which, in a national economic sense, just re-locates the skills shortage.

It should be recognised that the specific needs of the resources sector for skilled workers to work and live in, or FIFO to remote areas, does not suit a large proportion of the workforce or their families. Of those that may desire to undertake this type of employment opportunity, a percentage will not meet the medical standards required further reducing the potential employment pool for the resources sector.

The reverse strategy should be considered where we up skill or cross skill existing workers to meet the needs of the resources sector and focus our training effort to provide training opportunities to back fill into the non resource

sector employment market. This would create realistic employment opportunities for unemployed and under employed to better engage with the labour market.

- 26. How can the resources sector upskill its workforce in preparing for future skills needs? What can be done to improve on-site skills development?**

See our answer to question 18

- 27. What are the barriers to young people attending vocational and higher education and training, or gaining entry into the resources sector? What are some of the potential strategies to address those barriers?**

Schools still promote traditional academic type careers and the courses that go with them, such as law, business and teaching! There is little understanding of VET in schools by students, many teachers and parents, or the greatly expanded range of trade based careers now available. There is a marketing promotion job here and the industry needs to be at the forefront of such a campaign. TAFE institutes will support it, but the industry must take the lead.

- 28. What arrangements create an appropriate balance between government, contractor and resources sector funding contributions to education and training? Who should meet the costs of equipment, systems and resources required for training purposes and what other support may be needed for trainers and assessors (noting that training facilities for advanced process operations may require specific expensive facilities)?**

These are important policy issues and are matters for government and the industry. TAFE institutes will work with the outcome, but TDA suggests that one way of involving all employers in the industry in a commitment to training is through the establishment of a 'Training Levy' arrangement (akin to the Construction Training Fund in WA), a measure not without its controversy but which is in practical operation in some industries. The funds raised are used for training by trainers but in a way acceptable and desired by the industry itself.

There is a perception that the industry too often 're-invents the wheel' in these things. There are major gaps in the availability of appropriate course materials and other educational tools to assist in delivery and assessment. TDA considers that there is a real opportunity for the industry to commission specialist TAFE institutes to develop these materials.

- 29. Are Australian Government incentives creating the best outcomes for Australia's skills needs? If not, what suggestions do you have? Which state and territory government incentives work? Which do not?**

TDA is supportive of increases in all incentives which might encourage young people to choose the resources industry as their preferred vocation and career. The related policy framework and access arrangements should be simpler and adult apprentices should be especially encouraged. However

research on future trends (Salt, B) <sup>2</sup> suggests that there will also be a significant deficit in the skills available domestically and there will be a requirement to access skills from overseas through skilled migration and other appropriate visas.

**30. What measures could be put in place to facilitate the interaction between industry and training providers, such as industry seconding staff to mentor and train trainers in practical industry requirements? What additional infrastructure is required to meet future training requirements?**

A practical measure which could be expanded immediately with industry funding support is the TAFE Return to Industry program which enables TAFE teachers and instructors to be posted to industry to update their knowledge and industry experience. Similarly, industry practitioners could be seconded for short periods to teach in TAFE institutes and bring to students the colour and flavour of real life mining!

As for infrastructure, TAFE has done poorly in this area relative to universities. Very little TAFE infrastructure funding has been resources industry specific. For example, the trade training facilities at Pilbara TAFE institute and Barrier Reef TAFE institutes, both located at the centre of areas of industry activity, have had limited investment by government or industry and this has impacted on their capacity to deliver quality training for the industry on site. A solution to this could be for the regional TAFE institutes to be equipped to deliver initial training with later and more advanced training stages being delivered from appropriately equipped metropolitan TAFE institutes.

It is important to note that the impact of a skills boom will create pressures on training facilities not only in areas of resource industry training. The consequential impact of a boom in the resources sector will be a shortage in supporting industries such as hospitality and community services. Attention will need to be paid to these pressures in the greater scheme of responding to training needs during boom times

There are several excellent examples of cooperation between regionally based TAFE institutes and their local resources industry enterprises. We have included four such examples as appendices 2, 3, 4 and 5.

## **CONCLUSION**

TDA believes that the most practical and effective approach to meeting the resource industry skills training needs would be a formal engagement between the industry and the Australian TAFE sector. This engagement could take the form of a memorandum between TDA, the Mining Council and the ACTU. The aim would be to formulate a plan for identifying industry skill

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<sup>2</sup> Salt, B. 2008 presentation to Western Australian Training Forum “Beyond Baby Boomers: Demographic Issues behind Workforce Challenges in Western Australia”

needs and ways in which specific TAFE institutes might contribute to meeting these needs.

As we see it, there are core elements to achieving successful partnerships between the industry and TAFE institutes. The industry is encouraged to work with TAFE to support development of flexible training pathways (including institutional training pathways), flexible delivery options and use of 'assessment first' RPL and gap training, in which TAFE institutes have considerable expertise, improved careers advice and careers marketing and innovative models for funding.

From this engagement and subsequent plan the education and training matters canvassed in this submission could be addressed in detail.

TDA would be pleased to meet with the Taskforce to discuss our submission to provide further information, as required.

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TAFE Directors Australia

DATE: 9 April 2010

## APPENDIX 1 TO TDA SUBMISSION ON NRSET PAPER

### National Resources Sector Employment Taskforce TDA Working Group

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## APPENDIX 2

### Transforming Trade Training – A paradigm shift in training

Polytechnic West recognises that apprentices acquire knowledge and skills for their trade in various situations. The Transforming Trade Training (TTT) model has been developed, in consultation with various industries, to give employers and apprentices a choice of where components of the qualification will be learnt.

Under this model, the choices are:

- Employer's workplace
- Off-the-job day or block release delivery at Polytechnic West
- A combination of the above.

The learning in the workplace takes place via employer specific work tasks with supporting resources developed by Polytechnic West. A work task is made up of activities that the apprentice will be performing in the workplace that are directly related to their qualification.

As part of the model, each apprentice attends a foundation program that covers the role and responsibility of being an apprentice, occupational health and safety, first-aid, information technology skills - to enable access to online training and maintain an ePortfolio; and, employability skills. The program is also designed to assess the level of literacy and numeracy support that an apprentice may require during their training.

This blend of training is negotiated as part of the training plan that determines the willingness and capacity of the employer to provide a suitable learning environment and the ability of the apprentice to achieve the required competence for each work task.

Once the apprentice and employer are satisfied that the apprentice has acquired the required knowledge and skills, the apprentice is assessed either in the workplace or at Polytechnic West.

Polytechnic West has developed the Transforming Trade Training model for 19 qualifications and enrolled over 1500 apprentices.



## APPENDIX 3

### TAFE NSW Hunter Institute Case Study

#### **Background:**

The Hunter Valley contains approximately 63% of NSW recoverable black coal reserves. The Hunter is responsible for over 71% of NSW black coal production, with 23 major coal mines in the middle/upper Hunter sub-region and at least 8 more under development or in active planning. Total regional production exceeds 110 million tonnes per annum, and is projected to grow strongly.

The Australian Bureau of Resource Economics (ABARE) predicts that: “Over the period 2005 to 2025, global black coal consumption is projected to increase by 2.1 per cent a year to reach 7.6 billion tonnes” and that “the projected increase in global coal consumption provides an opportunity for strong growth in Australia’s coal exports, particularly as much of this growth is projected to occur in the Asia Pacific region.”

In anticipation of that growth, capital works valued at approximately \$2 billion are in progress at the Port of Newcastle, to develop a new coal loader facility and to expand the current Port Waratah coal loader.

Hunter Institute delivery for courses in the Mining industry RAM category grew from 16,740 student hours in 2004 to 77,670 in 2008 – an increase of +464%.

Hunter Institute delivery for courses in Plant and Heavy Vehicle Mechanics (in large part related to the mining industry) grew from 101,614 student hours in 2004 to 142,031 in 2008 – an increase of +39.8%.

(Note: all delivery related to the Resource Industries – along with related Manufacturing and Engineering – declined in 2009 as a result of reduced production and employment caused by the GFC. Current indications are that growth will return by 2011).

#### **The Muswellbrook Mining Skills Centre. A Better Delivery Model:**

In 2006 the Institute opened negotiations with major industry stakeholders to develop an improved delivery model.

The Mining Industry Skills Centre at Muswellbrook was the result – established as a partnership development between TAFE NSW – Hunter Institute, Alliance Group Training, and major black coal mining companies in the middle and upper Hunter.

The development of the Mining Industry Skills Centre addresses the long term needs of training for the black coal mining industry, through an integrated suite of training in the engineering and automotive trades on which the industry depends.

Utilising a mix of existing trade training facilities in Engineering and Transport and Construction at Muswellbrook, the Institute has entered into partnership with Alliance Training to provide newly recruited apprentices of the mining Industry with fast-track fundamental skill development and training in safe work practices in basic fitting,

fabrication and electrical tasks. The program focuses on practical, hands-on skills to produce a number of projects, in full-time training over a period of 24 weeks.

The Muswellbrook Automotive training facility provides initial training in Automotive skills – with students then progressing in Stage 2 to more advanced training at the Institute’s Plant and Heavy Vehicle Centre at Kurri.

More recent developments in the program include:

- A heightened emphasis on safety – in collaboration with the DII Mines Safety Inspector.
- Introduction of a “Life Skills Week” including guest speakers and topics such as health, road safety, finance, nutrition and relationships as well as business communication and report writing.
- Introduction of a Physical Training program.

The Mining Industry Skills Centre incorporates options for increased collaboration with other partners – including School Education and industry.

A staged program of major capital works at the Mining Industry Skills Centre will facilitate the new model, through development of shared core delivery and support facilities, with satellite specialist facilities where necessary.

Stage 1 of this Capital Works program is now well advanced – with construction of a new purpose built Electrotechnology Training facility due for completion by mid 2010, at a cost of just under \$2 million.

**Training Provided:**

Total delivery by the Faculty of Industry and Natural Resources at Muswellbrook grew from 116,186 Student hours in 2004 to 166,095 hours in 2008 – an increase of +42.9%.

The Mining Industry Skills Centre provides apprentices of the Upper Hunter mines with 24 weeks of training at the commencement of their apprenticeship. The training comprises, electro-technology, automotive, fitting & welding skills.

Participating mines subsidise this training, sharing the cost of a high quality training program to support the growth of the industry.

## APPENDIX 4

### **Durack Institute of Technology and Karara Mining - A Case Study**

Durack Institute, formerly Central West TAFE, is the largest provider of VET programs in the Mid West and Gascoyne regions of Western Australia. It is situated some 500 kms north of Perth. Its main campus at Geraldton is home to one of the largest iron ore project developments in Australia.

The region is poised to experience a significant increase in mining activity. There are at least six mining projects with a combined construction value of \$4.7 billion planned in the Mid West and Gascoyne regions within the next few years. An estimated construction workforce of 4000 is required to complete the projects and 1685 to maintain and operate the mines. This could more than double the region's mining related workforce from 2006 levels.

One of the most advanced projects is Karara Metals Limited (KML) \$1.7 billion Mungada hematite project and Karara magnetite project (located 45 kilometres east of Koolanooka).

Due to the difficulties with the global economy, extended discussions with Chinese partners and the general tensions in the iron ore industry KML's project timeline was delayed. It is however back on track with the construction of the main camp in progress with a target initial processing date of late 2010.

KML, formerly Gindalbie Metals, has formed an alliance with Durack Institute and signed a Memorandum of Understanding with the Institute in March of 2009. The MOU was witnessed by the WA Minister for Training and Workforce Development, Peter Collier.

The MOU sets out the principles of a strategic partnership focused on offering pathways to employment for people in the Mid West, indigenous training programs that may result in employment in the mining industry or aligned to it and the exploration of innovative and creative ways to resource, fund and deliver the appropriate skills solutions for operational, apprentices, Indigenous, trades, paraprofessional and professional staff engaged by KML.

In the short term Durack has been invited to provide induction programs for contractors and individuals, Supervisor training programs for contractors, professional development training for some 2000 on site employees and assist in the development of an innovative apprenticeship training and development program.

This partnership is very significant for Durack and the Mid West region, cementing as it does a relationship between the largest Mid West iron project and the local VET training provider. It reflects a confidence in the capacity of the region to provide assistance to address skills and labour shortages reflects willingness by the industry to reinvest in the region and promises the opportunity for lecturer skills upgrade and development through return to industry and joint industry partnerships.

Durack believes this model will provide an attractive alternative for all of the Mid West iron ore operators.

## **APPENDIX 5**

### **Skilling the Resource Sector Workforce: TAFE Queensland Mining Services Partnership is Skilling Coal Seam Gas Drillers**

A long and continuing training partnership between Lucas Drilling Services and TAFE Queensland (TQ) Mining Services has skilled more than 230 workers in coal seam gas and exploration drilling operations.

Lucas is the largest drilling and services provider to Australia's coal and coal seam gas (CSG) sectors. TQ Mining Services is a division of Central Queensland Institute of TAFE, and the Lead Institute for the resources sector in the TAFE Queensland network.

Entering its 6th year in 2010, the partnership with TQ Mining Services has grown and adapted to changes when the multinational Lucas Group acquired Mitchell Drilling Services, a Queensland based drilling contracting company.

Rapidly responding to the projected skills needs for the emerging CSG sector in Queensland's Surat and Bowen Basins, TQ Mining Services registered for the On-shore Oil & Gas Drilling national qualifications (Certificate II to Diploma) and developed a suite of resources for workplace competency-based assessment. In the partnering arrangement with Lucas Drilling, TQ Mining Services approves the workplace trainers and assessors to conduct on-the-job training and assessment across all their drill sites to the national competency standards in drilling for exploration and on-shore gas plus relevant skills in coal operations. TQ Mining Services ensures that all quality standards are met for utmost confidence in the competency outcomes achieved.

This auspicing arrangement also supports Lucas Drilling in complying with the Queensland Government Mines and Energy required competency standards for the Petroleum and Gas Drilling Industry.

Most importantly, Lucas Drilling is able to develop the specific skills that their workers need for their different job roles - driller's assistant, drillers, senior drillers and supervisors - and the various rigs they operate, whenever and wherever it best suits the crews' schedules. This includes up-skilling their supervisors and senior drillers through a program of recognition of prior learning and skills training to attain the Certificate IV and Diploma in Oil and Gas Drilling (On-shore).

This successful partnership is one example of how TQ Mining Services works with employers in coal and metalliferous mining, quarrying, processing, drilling, and explosives operations from Cape York and the Gulf to Stradbroke Island in the south-east and westward across the Bowen and Surat Basins. Focussing on quality in training and assessment for the resources sector, TQ Mining Services conducts programs at mines and other work sites for statutory qualifications, safety and risk management, supervisors and managers.

TQ Mining Services partners with organisations operating globally and locally to develop contextualised training and assessment resources and project-based delivery of specialised training programs. With a virtual network of mobile co-providers and industry-respected trainers, TQ Mining Services ensures that programs are relevant to site operations and skills needs.

Through this partnership with TQ Mining Services, Lucas Drilling are a leader in developing the skills of the drilling workforce in the coal seam gas and coal mining sectors.

## APPENDIX 6

### Supplementing Pathways to an Apprenticeship

#### Background

1 In January this year **TAFE Directors Australia** (TDA) submitted to the Australian Government 10 recommendations for action in the area of skills training in response to the global financial crisis.

Subsequently, TDA joined with **Group Training Australia** (GTA) to submit proposals toward the Australian Government's Economic Stimulus Package, which included measures to protect jobs of those existing students impacted by the GFC, and plans to further boost skill development.

2 The recommendations included discussion that supplementary pathways may be required in the Global Financial Crisis, and especially to cater for demand by students to enter skilled trade and non trade areas, while employer recruitment remained scarce.

3 Included in proposal was one example of a new pathway nominally called "The Trade Diploma"; however this was used as an example of one option. In that case, the Diploma may be designed to upgrade the capability of a student and hence widen their career aspirations, by doing both trade schooling and also the Diploma in a two year time frame.

The key element to these proposals is that at the end of their program the student would be fully qualified and paid as tradespersons. Essentially, the Trade Diploma would enable TAFE Institutes and other VET providers to widen their course offerings in skills development and increase the type and number of students who could complete institutional training in the trades, along with on-the-job outsourcing through GTA and industry groups.

Also included were proposals to enable 'out-of-trade' apprentices to use the institutional pathway to continue their training and not be lost to the trade.

4 These concepts need more detailed testing - firstly through the conduct of a feasibility study and secondly, and subject to agreement on funding, to the implementation of a number of trials.

In the first instance, TDA is seeking funds from the Australian Government to undertake the feasibility study which could include a proposal for trialling, and ideally, an interim report be produced to inform the COAG Taskforce on Apprenticeships, under chair Julius Roe.

#### Key issues

5 A range of VET organisations have recently been advising both the Australian and State and Territory Governments that significant problems are already emerging in this

recession in the apprenticeship area with employer sponsored training being scaled back and apprentices being laid off. The issue was recently highlighted at the 30 April 2009 COAG meeting where the Communiqué referred to the vulnerability of apprentices in a period of economic downturn and the agreement to establish a task force to undertake urgent work to support the engagement and retention of Australian Apprentices.

6 In the GTA Network, for example, there is already evidence from group training organisations that the recession is resulting in a decline in the number of apprentices being recruited and difficulties finding host employers within the group training area.

7 A significant related issue at the recent COAG meeting was the agreement to concerted action to increase young people's engagement with education and training pathways and the implementation of a Compact with Young Australians (the Compact). Associated was the agreement to bring forward the education targets for young people aiming at 90% in the 20-24 year old age group achieving year 12 or a Certificate II or above by 2015, with this increasing to Certificate III or above by 2020.

8 Achieving these targets will require 'breakthrough' approaches and alternatives to the current arrangements or else Australia will not achieve these targets in the short term and will emerge from the downturn with skills still in short supply, especially in higher qualifications (a shortfall identified by CEET Monash).

9 TDA acknowledges that Governments already have a range of strategies in place. For example:

- the Australian Government's Fast Track Apprenticeships Program is well placed to support the Government's focus on changing the entrenched ways of delivering vocational education and training in Australia without any diminution in the quality of the training delivered. However, more will be needed. The reality is that this program is focussed upon arrangements in the current apprenticeship pathway, one which will be difficult to achieve expansion in during the economic downturn when the pressure is apparent to increase participation;
- the new WA VET Act will enable the introduction of a two year apprenticeship;
- Victorian work is underway to test out articulation between an apprenticeship and a degree qualification in Gippsland.

## Our proposal

10 Conscious of the issues above TDA/GTA proposes to DEEWR that a study be undertaken initially to **investigate the feasibility of establishing a parallel pathway to the achievement of an apprenticeship in up to 3 industry areas** which would not rely on indenture or a contract of training yet still require on-the-job workplace training before trade-based qualifications are awarded. Trade testing would be an integral element of any options considered.

*Table 1 below indicates that these parallel pathways might provide options not only in completing an apprenticeship and entering or re-entering the workforce but also in articulating to further education and/or training qualifications.*

## TABLE 1 – Apprenticeships, with additional pathways

<b>Employment, Further Education and Training</b>		
<p><b>Institutional Pathway: A Trade Diploma</b> For students who are not indentured or who are seeking to undertake additional post-trade qualifications</p>	<p><b>Institutional Pathway: A Trade Certificate</b> Targeted at apprentices who are suspended and unable to continue their training under the current indenture arrangements</p>	<p><b>Traditional Apprenticeship Pathway</b> Involves employment via a Training Contract plus on-the-job and/or off-the-job training</p>

10 Essentially, our Joint Proposal is to investigate what measures might be recommended to put in place an institutional pathway/s to provide the basis for a trade qualification. ***The investigation would be based on current Training Packages and their qualifications and articulation arrangements with higher education qualifications, where appropriate.*** The project is not premised on the establishment of new qualifications outside the AQF. Acceptance of the concept will be dependent upon addressing current industry perceptions that skill development without paid on-the-job training is inadequate for the award of an apprenticeship.

11 The concept needs to test out potential pathways for out-of-trade apprentices continuing to train but through an institutional pathway, as well as for those wishing to undertake an institutional pathway to a trade qualification and beyond. Higher end options, involving Diploma level qualifications, would require a focus on literacy, numeracy and IT skills to build up a model similar to the German ‘meister’ system.

12 We would want to investigate the feasibility of the concept in up to 3 industry areas, not just in the traditional trades (eg in the construction industry) but also in areas of new technology and the ‘green trades (eg mining, engineering and design). The joint proposal would test how these new and additional pathways to skills might occur in areas generally recognised as having a prominent role/exposure in times of recession, and with the advice of industry organisations. The location of attention in the first instance would be upon potential activity in Victoria, WA and Queensland.

13 International students are already enrolled in programs based on these models, so essentially what we want to examine is the feasibility of linking what is available to international students to Australian students and utilizing trade testing, similar to incoming international skill candidates seeking recognition under DEEWR’s TRA.

14 The feasibility study would be undertaken at a high level, researching and scoping potential areas for further development rather than detailed implementation planning. The study would identify:

- up to 3 industry areas and qualifications for investigation;
- the nature of the work placement component and implications for the delivery and assessment of skills via trade testing;
- how institutional pathways programs for out-of-trade apprentices could be re-linked to training plans and contracts of training upon completion;
- higher level qualifications in the trades and linkages with higher education qualifications and programs;

- likely State Training Authority issues arising from a program that does not conform with the conventional specifications;
- impediments to implementation eg arranging work placements, entrenched attitudes, terminology issues, licensing arrangements etc;
- income support arrangements and implications for out-of-trade apprentices for whom no placement can be found while they continue to train plus eligibility issues for the payment of incentives, including assessing the flow-on effects to GTOs if these were not payable;
- the potential role for TAFE Institutes and GTOs;
- key industry stakeholder views;
- industry areas and qualifications for the conduct of trialling, including the management arrangements for the trials.

## Funding and timelines

15 TDA proposes to commission consultant/s with substantial experience in the area of apprenticeship policy and a strong understanding of the operating environment of TAFE Institutes and group training. The task is a complex one which will require direct access to TDA, GTA, CEOs of ISCs and senior officers in industry organisations, key members of the TDA Board, DEEWR and selected STAs.

16 The project would be managed by TDA with the work overseen by a small Project Steering Group involving TDA, GTA and HIA. A peer assessment panel is to be established to provide independent employer, employee and government perspectives on the proposals developed. The costs associated with travel for the peer assessment panel have been incorporated in the budget below.

17 Subject to the timing related to this funding proposal, the task would begin in June with development work taking place over June and July with reporting to take place in the first week of August.

18 It is estimated that the task will require approximately 20 days consultancy time involving:

- 2 days for project planning and meeting with the Project Steering Group;
- 12 days for initial background research to identify up to 3 industry groups plus for detailed discussions with relevant industry organisations, TDA Board members, GTA, ISCs, DEEWR and STAs;
- 4 days for the development of the draft report; and
- 2 days for meeting with the Project Steering Group, for organising and meeting with the Peer Assessment Panel and for the completion of the final report to TDA to forward to DEEWR.

In addition, costs are required for travel for the project team, for the and for TDAs project management role.

19 The proposed budget required to undertake the project is outlined below:

Consultancy costs (20 days)	\$28,000
Project team travel and accommodation etc	\$ 8,000
Project Steering Group and Peer Assessment Panel costs	\$10,000
TDA/GTA project management	\$15,000
<b>Sub-total</b>	<b>\$61,000</b>
GST (+ 10%)	\$ 6,100

**TOTAL**

**\$67,100**

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