



## **SUBMISSION**

RESPONSE BY TAFE DIRECTORS AUSTRALIA

TO THE AUSTRALIAN APPRENTICES TASKFORCE  
OPTIONS PAPER

September 2009

### ***Section I -- BACKGROUND***

TAFE Directors Australia (TDA) represents Australia's 58 TAFE Institutes, including five dual sector university and TAFE institutions. TAFE Institutes are Australia's public VET sector provider network, and across a wide geographic city CBD, suburban, regional and remote campus network, deliver the overwhelming majority of apprenticeships and traineeships directly across Australia.

In many cases, these TAFE Institute services are also delivered more indirectly as Institutes are frequently contracted for apprenticeship training delivery by Group Training Australia and/or other industry associates.

"TAFE" remains a foremost public educational face and link to apprenticeships and the traditional trades. Some years ago, official ANTA research reviewed the attributes of "TAFE" as a key brand for the educational attributes of traditional trades, and in early 2009, this same research was noted by the OECD Innovation benchmark Country Report<sup>1</sup>, when recommending Australia revisit the profile of skilling in Australia, and in this context, noted delays by Commonwealth and state and territory Ministerial Councils to support investment and the task to revitalize in Australian skilling with more sophisticated branding.

COAG's brief to review skills has become multi-faceted, with the COAG Apprenticeship Taskforce a recent addition to enquiries. Other 2009 enquiries are currently exploring reform to governance, and international students.

COAG's early brief on skills can be traced this decade to reviewing problems of skill shortages, with a reference to COAG in 2006. At that time, the TDA Board initiated policy discussion which significantly reviewed apprenticeship and 'Skilling Australia' solutions, designed to motivate ideas and solutions to alleviate the critical outlook of apprenticeships in particular. TDA began by publishing a Green Paper,

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<sup>1</sup> OECD Systematic Innovation in Vocational Education and Training: Country Report Australia (26 Feb, 2009)

called *'Ideas, Inspiration, Innovation'* (2006), followed by a White Paper: *Investing in Productivity – Engaging TAFE to accelerate Workforce Development and Job Participation*.<sup>2</sup> Several reforms including alternate pathways into apprenticeships were advocated, with international benchmarking also included.

Pre apprenticeships have also been pursued aggressively in some jurisdictions, and in many cases, operated alongside vocational education in schools. For example, in 2007-08 jurisdictions in NSW, Victoria, South Australia, Tasmania and the ACT established reviews on vocational colleges, especially after the former Federal Government invested some \$500M to create 23 Australian Technical Colleges. In 2008, TDA along with the Australian College of Educators hosted a National Forum on Youth Engagement<sup>3</sup> (Hobart, April 2009), and DEEWR is currently funding further TDA/ACE research into models of vocational colleges in Australia (TAFE and non-TAFE).

Several TAFE Institutes across these jurisdictions have initiated individual vocational (pre-apprenticeship) colleges. Some brief examples include:

- Holmesglen Institute (VIC) researched over several years Scandinavian youth and skills engagement, and launched a joint trades/community and sport/literacy and numeracy model in its Holmesglen Vocational College.

Several other TAFE Institutes in Victoria have also pursued on-campus vocational colleges, including Chisholm Institute and University of Ballarat

- NSW TAFE operates TVET colleges including Bradfield College (NSI, North Sydney), St George (Sydney Institute), and numerous other colleges across many of its other 10 Institutes
- Canberra Institute of Technology launched a young and adult education joint vocational education model.
- Tasmania created a dedicated polytechnic motivating those students beyond Year 10, to move directly into a programme with synergies between schooling and skills, largely based on EU and New Zealand experience..

Each of these College models have developed numerous attributes which include literacy and numeracy – a key issue outstanding outside Training Packages.

Accompanying this trend, has been a wide take-up of “TVET” VET in schools enrolments, with some state cities reporting up to 50% of Year 11 and 12 students, taking a VET subject in their final years of school.

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<sup>2</sup> TDA COAG submission *Investing in Productivity*, (March 2007)

<sup>3</sup> TDA/ACE *Engaging Youth in Skills. National Forum*. Occasional Paper 2, 2008. [www.tda.edu.au](http://www.tda.edu.au)

## **Section II – SHOULD THE CONTINUING APPRENTICESHIP CRISIS WARRANT FURTHER REFORM?**

TDA welcomes the COAG Apprenticeship Taskforce, yet signals concern that the Options Paper restricts “solutions” to asking stakeholders to rate preferences for publicity, incentives and national champions, without proposing investment strategies, which involve coherent structural reform and motivate advancing student options

As a guide, TDA notes that Professor Denise Bradley AC, Chair of the Review of Higher Education, advanced a **student-centred framework** for tertiary education reform. Instead, the COAG Apprenticeship Taskforce has arguably relied on what may be termed ‘band-aid’ solutions, with the option, predominantly, for system focused upgrading. The Report may assist, but this lack of longer term perspective both puts aside international and expert data on fundamental concerns about apprenticeships, and puts at risk options for widening attractions, choice and opportunities for new cohorts of younger and older Australians to ‘Try a Trade.’

TDA remains a constructive stakeholder. We urge the Taskforce consider the following evidence pointing to the need for structural change:

Current NCVER and OECD research on apprenticeships creates overarching concern at FIVE levels:

- i. **ATTRITION** -- The attrition rate for traditional trades remains at approximately 48 per cent, with some 28 per cent recorded after Year 1 of apprenticeships in critical economic areas like building and construction<sup>4</sup>. This waste of human capital resource, and drain on national ‘Gen Y’ productivity are continuing trends, and worse, data confirms this is widening in the current economic circumstances.
- ii. **INTERNATIONAL BENCHMARKS** – The *OECD Vet Review of Australia*<sup>5</sup> recommended a wide range of reforms across apprenticeships in Australia; to support innovation, intervention options in cases of economic downturns, the advent of a trade diploma, and a national assessment system. The *OECD Report on VET Innovation in Australia*<sup>6</sup> while not detailing specifically on apprenticeships, noted declines in enrolments, and looked at wider systemic ideas to revitalize the Australian skills market. The COAG Apprenticeship Taskforce Options Discussion Paper (Aug 2009) does not resolve to address these recommendations, nor propose structural reform.

**UNESCO UNEVOC** Centres have similarly published papers on apprenticeship innovation, and recently the head of the Irish UNEVOC Centre, Aidan Kenny, Centre Director of the Dublin Institute of Technology, spoke in Australia about development across the EU of VET issues, including mutual recognition, and reminded that higher education courses in Europe provide alternate pathways (EG France continues with trade options within engineering for higher education degree courses).<sup>7</sup> These are alternate pathways, requiring consideration amid the current downturn in Australia.

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<sup>4</sup> NCVER Annual Research, *Apprentices & Trainees*, 2008. Refer Table 10.

<sup>5</sup> OECD VET Benchmark Review, *Learning for Jobs: Australia*. (5 November 2009)

<sup>6</sup> Op Cit -- *OECD Systematic Innovation in Vocational Education and Training: Country Report Australia* (26 Feb, 2009)

<sup>7</sup> Aidan Kenny, Dublin Institute of Technology, sponsored visit to Australia *TDA09 Conference*. (3 & 4 Sept 2009)

- iii. **EXTERNAL ISSUES FACING APPRENTICES** -- Research confirms that employers require stronger intervention from government, for employing apprentices. NCVER data shows that while satisfaction with public VET has overtaken its prior preference for private training, the largest concern from employers remains lack of government support for employers training apprentices.<sup>8</sup> Earlier, Group Training Australia commissioned research by University of New England<sup>9</sup>, showing externalities such as wage rates, employer conditions and related issues were the major problems facing apprentices in Australia. The recent economic downturn, and Q1 2009 data (*Apprentices & Trainees*, August 2009, NCVER) confirms that apprentice rates are falling sharply, because employers no longer can afford the apprenticeship rates of the past.
- iv. **PRE APPRENTICESHIP CRISIS** – TAFE Institutes from several resource rich states, including Queensland and Western Australia, report concerns about the future of “pre apprentices” currently in courses, which finish at the close of 2009<sup>10</sup>. Because of Item (iii) with external factors and the economic downturn, large numbers of Pre apprentices remain across the system. Arguably, the Taskforce Options Paper (Option F) is the only option listed which addresses (in part) this challenge. TDA Recommends this an urgent short term issue, needing support.
- v. **LITERACY & NUMERACY OVERHAUL** – Australian Industry Group (AiG) recently spoke ahead of a \$400K contract supported by Employment Participation Minister, Senator the Hon Mark Arbib, to review literacy and numeracy in industry, with reported comments that generally, current standards of literacy and numeracy standards were low, and continuing to drop. OECD 2008 reporting of its Australian benchmark innovation review, confirmed this will remain a key issue to the future employability skills for skilled workers. TAFE Institutes have advocated that literacy and numeracy institutional learning is a required component to future reform of apprenticeship training, to supplement Training Packages, and arguably, provide higher qualifications for the trades, such as a Trade Diploma<sup>11</sup>. TDA proposed however that initiative such as a ‘ Trade Diploma’ should supplement, and not replace, traditional apprentices, and operate within the boundaries of current training packages. This extended qualification may be add skills in areas such as IT software, and computer modeling often increasingly required for trade pricing and design quoting, and procedural checks.

This mission on literacy and numeracy is a subject alone which deserves inclusion in the Options Paper, for apprenticeship reform. This attribute is fundamental for students, to future employability success.

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<sup>8</sup> NCVER, *Employer views on improving the Apprenticeship system*, Toni Rittie & Tomi Awodeyi (11 Sept 2009)  
<sup>9</sup> Group Training Australia, *Apprenticeship Review* (2007-08)

<sup>10</sup> Swan TAFE reports that 22,000 pre apprentices in WA face an uncertain future beyond 2009.(Wayne Collyer, MD of Swan TAFE, *TDA09* Conference). See also ATTACHMENT A - SWAN TAFE MINISTERIAL PAPER ON INSTITUTIONAL PATHWAYS

<sup>11</sup> Refer - TDA White Paper 2008, recommendations.

## SUMMARY

TAFE Directors Australia recommends the following 4 priorities:

<b>RECOMMENDATION</b>	<b>ACTION</b>
<b>ALTERNATE PATHWAYS</b>	<p>Alternate pathways be trialed as a project effective 2010.</p> <p>TDA would propose that collaborative arrangements currently in place with Group Training Australia agencies, be extended for a two-year trial. The pilot project would seek to facilitate 2,000 Alternate Pathway Apprenticeships be established for 2010.</p> <p>The project would be funded by GTA organizations, topped up by options of:</p> <ul style="list-style-type: none"> <li>- STA emergency stimulus support Funds</li> <li>- Federal Stimulus funding</li> <li>- Option that students contributions to TAFE fees, be facilitated by FEE HELP loans, currently in place across VET in Australia for diploma and above, and Victoria</li> </ul>
<b>ALTERNATE PATHWAYS FRENCH ENGINEERING MODEL</b>	<p>During the course of this TAFE/GTA project, the Taskforce commissions a review, for courses options in Higher Education, which may allow for a French-engineering model to apply to Australian apprentices.</p>
<b>OECD RECOMMENDATIONS -- SKILLING REVAMP AND IMAGE FOCUS TO YEARS 11 &amp; 12 VET STUDENTS IN SCHOOLS</b>	<p>The Taskforce proposes a publicity campaign.</p> <p>TDA proposes that a total re-launch of the “skills value proposition” is advanced, and fast-track the Ministerial Council review of the public perception of skills in Australia, and this package be coordinated with the national launch of <a href="http://www.training.gov.au">www.training.gov.au</a></p> <p>This revamp be school-centred, and lock-in multi-jurisdictional investment in VET in Schools, to promote continued pathways and incentives for the many (thousands) of students completing VET subjects for High School Years 11 &amp; 12.</p>

<b>LITERACY &amp; NUMERACY</b>	<p>Literacy and numeracy, along with IT training, is urgently required to accompany ALL apprenticeships.</p> <p>This is a much-needed, and urgent reform, with wide documentation of the benefits if this were instituted from 2010.</p>
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## ATTACHMENT A



### **TRADE BASED INSTITUTIONAL PATHWAYS**

#### **Purpose**

The purpose of this paper is to inform the WA Minister for Education of the requirement for a nationally co-ordinated system for the development and implementation of institutional pathways as an alternative to traditional models of trade training delivery.

#### **Background**

TAFE Directors Australia put forward the concept for the introduction of a Trade Diploma as a supplement to traditional apprenticeship training in a Green Paper entitled "Ideas, Inspiration, Innovation" in September 2006.

A Trade Diploma offers an institutional pathway to a trade qualification which would:

- Provide an educational framework which would provide a qualification for participants to enter both managerial/professional as well as skilled tradespersons positions.
- Ensure that Australia's skilled training system is equal to or compares with best international practice.
- Increases the chances of apprentices going onto further study.
- Reduce the training time for apprentices.
- Reduce attrition rates for apprentices.
- Help address critical skill shortage areas.

In addition, there are a significant number of displaced apprentices nationally who would like the opportunity to continue their training but are unable to under the current indenture arrangements. The opportunity to complete their training via an institutional trade certificate pathway is likely to have considerable appeal for a large number of these apprentices

#### **Current Status**

The way forward for the introduction of institutional pathways for trade training has recently received a boost in Western Australia as a result of changes to the Vocational Education and Training Act 1996. Under proposed changes to the Act the Minister responsible will on advice from the State Training Board be able to classify qualifications as either type A, B or C. This classification will determine whether the qualification will be available for institutional delivery or not.

Importantly, under these arrangements type B qualifications can be obtained through entering into a training contract with an employer and also can be obtained directly through a registered training provider without the need for a training contract.

Notwithstanding the progress being made in WA, it is important to emphasise that a co-ordinated national approach lies at the heart of any real reforms to the trade training system.

In this respect I am seeking the Minister's support for a co-ordinated response involving The Skilling Australia Council, National Industry Training Councils and TAFE Directors Australia to develop and adopt a consistent position across all Australian States and Territories for the introduction of Trade Diplomas and Certificates as viable alternatives to current apprenticeship training arrangements.

**Recommendation**

That the Skilling Australia Council co-ordinate in conjunction with Industry Training Councils and TAFE Directors Australia a national approach to the development and implementation of institutionally based Trade Diploma and Certificate programs.

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