30 September 2005

VET Inquiry
C/- Twila Whittingham
PO Box 266
MELBOURNE, VIC 3001
AUSTRALIA

Dear Ms Whittingham

Please find enclosed RMIT University’s submission in response to the Victorian Government Vocational Education and Training Inquiry.

If you would like further assistance related to this submission please contact Julie Wells, Director, Policy and Planning on 03 9925 2980 or julie.wells@rmit.edu.au

Yours sincerely

[Signature]

Professor Margaret Gardner
Vice-Chancellor and President
Introduction

RMIT welcomes the opportunity to contribute to the Victorian Government's VET Inquiry. The pressures for reform of existing arrangements to take account of the changing skill needs of the economy and the increasingly diverse backgrounds of Australians seeking enterprise based training are widely acknowledged within the VET community. RMIT notes that several policy positions have recently been put forward to reform and modernise the training system, including those of the Australian Industry Group (AIG) and the Queensland Government\(^1\). In its response RMIT draws on these policy recommendations, whilst offering a specifically dual sector perspective to the issues raised by the Inquiry.

As an overall position, RMIT urges the Victorian Government to take a long term approach to VET reform in addition to addressing the more immediate skill shortage imperatives, and to consider delivery models that build bridges across the education sectors. RMIT seeks a closer collaboration between the various levels of government, industry and training providers to remove existing inefficiencies and to deliver value added outcomes for individuals and enterprises. The VET Inquiry is a significant opportunity to provide clarity around the emerging funding and policy frameworks which are shaping the Victorian VET sector, and RMIT looks to the Inquiry for ways to effectively participate in this new environment.

Term of Reference 1: The appropriateness of current apprenticeships and traineeships, including an examination of levels of regulation, wage structures and the opportunity to increase outcomes eg. flexible entry and exit points.

RMIT acknowledges the tension between competency based training and the length of time required to attain a qualification. One way to address this issue is to build up the pre-apprenticeship system and better integrate it into existing qualifications structures. This would ensure that the pre-apprentices gain credit for learning undertaken and enable training to be completed in a shorter time frame. This approach should be supported by accelerated pathways from apprenticeships and traineeships into Diplomas and Advanced Diplomas based on enhanced recognition of prior learning frameworks. Furthermore, pre-vocational training in general should be expanded to focus on critical areas of skill shortage. It must be emphasised, however, that any variation in training agreements as a result of accelerated learning programs should not compromise existing OHS requirements.

The strengthening of the apprenticeships and traineeships framework to include Diplomas and Advanced Diplomas should be a key platform of a reformed Victorian VET system. There is wide support for this approach as a way to address the growing demand for complex skills and knowledge and more specifically to address skills shortages for high level technicians and associate professionals. The Victorian Government, in conjunction with the Commonwealth, should ensure a funding environment that encourages TAFE institutes to work with the AIG and other employer bodies to develop a range of cadetships in areas of skills shortage, including technology based professions.

RMIT, in conjunction with industry partners, is developing pre-vocational programs to be delivered in selected workplaces. It is anticipated that this innovative approach to entry level training will serve as a model for other training providers.

The urgent need to bolster advanced skills training highlights the important role of dual sector institutions such as RMIT that can utilise their specialist high end VET capability to develop new training products for work-based

learning. RMIT acknowledges the importance of low end skills training and vocational pathways for young people at risk in the education and labour markets, and the crucial importance of basic literacy and numeracy skills training. However, there needs to be greater emphasis on advanced skills training to engage high performing Year 12 students into the traditional trades and to ensure Victoria is meeting the needs of its emerging industries. Commonwealth funding incentives should be targeted towards value-added, technology-based industries that will help drive economic growth, rather than low-skill, casualised industries such as retail and hospitality. RMIT is ideally positioned to offer high level skills training given our strengths at the Diploma and Advanced Diploma levels, and our specialisations in technology and design based skills training.

RMIT offers an Advanced Diploma traineeship in CAD design in partnership with companies designing piping systems for large buildings and offshore drilling platforms. This provides industry with high level skills in areas of skills shortages and provides a pathway to an engineering degree.

Recommendations:
- That a stronger pre-apprenticeship system be developed that provides for greater recognition of prior learning and fast-tracking through educational pathways
- That the Victorian Government support the development of advanced skills training by discussing with the Commonwealth a stronger alignment of government incentives with high level apprenticeships
- That dual sector institutions such as RMIT be appropriately funded to develop high level apprenticeships and traineeships using their existing specialist capability in Diplomas and Advanced Diplomas

Term of Reference 2: The effectiveness of vocational education in schools (including VET in the VCE, School Based New Apprenticeships and the Victorian Certificate of Applied Learning) for individuals and industry, including an examination of: recognition of student achievements; industry participation and perceptions; and student outcomes.

There is an urgent need to improve financing arrangements for VET in schools. In our experience students are often forced to pay tuition fees that are not covered by the school which acts as a major disincentive to students enrolling in vocational programs. The recent proposal by the Victorian government to guarantee free education for young people at either schools or TAFE presents an opportunity for alternative funding mechanisms for vocationally based training, such as enrolment based funding that follows the student.

RMIT believes that schools need additional support to better integrate School Based New Apprenticeships (SBNAs) into their mainstream teaching activities. RMIT has found that many schools lack an understanding of the processes and pedagogies associated with SBNAs, to the detriment of students wishing to take up this option. There may be other options for the government to consider that will improve SBA outcomes, such as aligning the scheme more closely with the New Apprenticeship Centres (NACs) and ensuring that people with expertise are readily available to support secondary school staff.

RMIT supports a greater involvement by industry in the development of school based VET that actively addresses areas of skills shortages. Currently there is a greater emphasis by schools on traineeships in business, retail and hospitality given the relatively minor infrastructure requirements to deliver these programs. Stronger partnerships with industry and TAFE providers would provide schools with greater support in developing programs in important skill areas for the Victorian economy, particularly in the manufacturing and infrastructure sectors.

Recommendations:
- That the Victorian Government implement appropriate and sustainable financing arrangements for VET in schools and consider the merits of enrolment-based funding
- That schools receive additional support to better integrate School Based New Apprenticeships
- That industry take a greater role in establishing priorities for school based VET

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RMIT University
Term of Reference 3: Training models and associated resources required to meet the needs of the full range of VET students, with a focus on new entrants, mature age workers and those people seeking to re enter the workforce.

A key focus of the Inquiry is the relevance of the current training system to the increasingly diverse range of learners participating in VET. Clearly a broader range of training models will hold greater appeal to the growing number of non-school leavers seeking to upgrade qualifications or change careers, including older workers and those returning to the workforce. Key impediments to non-school leavers taking up apprenticeships and traineeships are the low wage rates and, in many cases, the length of time required to attain the qualification. Lack of recognition of existing skills can also work against adults taking up this type of training.

To address these issues RMIT supports the development of a new adult apprenticeship model. The Queensland Government and the Australian Industry Group have effectively argued the case for a new system that includes a sustainable training wage for adults, more effective recognition of prior learning and stronger incentive arrangements to attract adults into work-based training, particularly for older workers in areas of skills shortages. The key issue is the need for more effective competency based training to better engage industry in workforce skills development. This requires greater funding support for TAFE providers to undertake workplace assessment and to facilitate stronger partnerships with enterprises. Other training models should involve TAFE providers working more closely with Commonwealth funded employment and training agencies such as Centrelink.

Recommendations:

- That a new adult apprenticeship model is developed that provides a sustainable training wage, more effective recognition of prior learning and stronger incentive arrangements to attract older workers
- More targeted resources for the implementation of competency based training, including greater funding flexibility to enable TAFE providers to deliver skills assessment services in the workplace.

Term of Reference 4: Future resourcing requirements in the context of no growth funding from the Australian Government, a changing student profile and pressure to meet increasing productivity and participation demands.

The case for increased government funding for VET that is presented in the discussion paper is at odds with the Commonwealth’s stated intention to ultimately reduce its share of funding to the sector.\(^2\) Given this scenario, the role of industry in contributing to VET becomes increasingly important. RMIT supports stronger partnerships between training providers and industry to meet the challenges of training a changing Victorian workforce. Practical examples include partnering with enterprises to ‘acquire the facilities needed to keep pace with the rapid technological change and transformation that has been occurring in industry’.\(^3\) The key issue for consideration is to ensure that funding levels are appropriate to sustain long term skills development, noting that Victorian TAFE providers are under funded compared to other state government funded TAFE providers.

The Commonwealth should also consider reintroducing a training guarantee levy to encourage industries to better engage with training. This initiative, in conjunction with greater funding incentives for training providers to provide skills assessment services, would facilitate a more effective implementation of competency based training in the workplace than is currently the case.

Recommendations:

- That industry contribution to VET funding is increased through partnerships with TAFE providers
- That the Victorian Government recommend to the Commonwealth the reintroduction of a training guarantee levy

\(^2\) Skilling Australia’s Workforce Bill 2005, Division 2, Section 13, Clause F
\(^3\) Australian Industry Group, ‘Contemporary Apprenticeships for the Twenty First Century’, July 2004, p6
Term of Reference 5: The role of vocational education and training in overcoming skill shortages, increasing workforce participation and increasing industry productivity.

A strong argument exists for greater collaboration between the higher education and VET sectors and the development of cross-sectoral qualifications to meet emerging skill needs. RMIT is a strong advocate of dual awards that enables students to concurrently undertake both a higher education and TAFE qualification. There is a demonstrated need for the simultaneous development of vocational and professional skills, particularly in the engineering professions. The AiG, for instance, has drawn attention to the fact that the 'artificial division between vocational training providers and the higher education providers...is seen by industry as an impediment to building the skills base'. The development of innovative responses to the skills crisis requires a greater flexibility in funding arrangements than currently exists. RMIT recommends that the Commonwealth and State governments address this issue as a matter of urgency.

RMIT is developing dual sector qualifications to enable graduates to gain a range of professional and vocational skills and be better prepared to meet industry needs. Examples may include the Diplomas of Enterprise Formation and Engineering Technology in conjunction with selected undergraduate degrees.

Recommendation:

- That the Commonwealth and State Governments work together to develop more flexible funding arrangements that will facilitate innovative provider responses to skills development such as dual awards

Term of Reference 6: Strategies to improve access to information on training providers by the VET system's clients.

Access to information on training options and how they relate to labour market outcomes is critical to increasing workforce participation. Given the complexity and range of both the VET clientele and the training environment there is a need for more effective mechanisms to connect the various stakeholders. Various models have been tested over the past few years, such as the OTTE funded Industry Liaison Agents and the development of intermediary services by training institutions and other organisations. A case could also be argued for school-based careers counsellors to be located more directly in industry, training or community based settings. RMIT supports further consideration of these options as part of the Inquiry.

Recommendations:

- That the Victorian government, in conjunction with training providers and other key stakeholders, examine the effectiveness of existing and new models of information provision

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5 Ibid., p4
6 There is considerable interest in the workforce intermediary model in the United States. See Jobs for the Future at http://www.jff.org/