



Current directions in Australia's vocational education and training system

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This paper provides an overview of the factors which influence and drive Australia's technical and vocational education and training (TVET) sector. It details the objectives of *Shaping our future*, Australia's national strategy for TVET from 2004 to 2010, and key initiatives of the sector to meet the changing economic and technological environment: a review of training packages, and a review of the national standards for training providers. It also discusses issues facing the TVET sector, as identified in a paper published by the Business Council of Australia (2004). Further, an overview of the apprenticeship and traineeship system, which has expanded considerably in recent years, is provided.

Current directions in Australia's vocational education and training system

Australia faces the same issues that are challenging many, if not most, countries around the world: changing industry structures as an outcome of global trade flows, the pressure to innovate to remain competitive, the impact of technology on many occupations, the ageing of the workforce, the need for sustainability and the difficulty of ensuring that all groups benefit from economic growth. The nature of the Australian response is of course conditioned by a range of contextual factors, such as a relatively small population that is largely concentrated in cities, the largest economy in the region and a federal political system.

The last of these contextual factors is particularly important for technical and vocational education and training (TVET). Publicly funded TVET is the direct responsibility of the eight state and territory (provincial) governments, with the federal government also now playing an important funding and policy role following the establishment of the Australian National Training Authority in the early 1990s. In late 2003, the ministers with responsibilities for TVET jointly issued Australia's national strategy for TVET for 2004-2010, *Shaping our future* (Australian National Training Authority 2004a). This document is the official response to the forces noted above, and sets out the context, the vision for TVET, the four objectives for 2004-2010 and strategies for achieving the vision and objectives. It is a comprehensive account from governments on the current direction in TVET.

In this paper, I first trace out the thrust of *Shaping our future*. I then discuss briefly three recent developments: the review of training packages (the national approach to specifying competencies), a review of the national standards for training providers, and a paper put out by the Business Council of Australia (2004) that challenges the public TVET system in a number of areas. These documents capture well most of the issues that TVET faces. I also look briefly at the apprenticeship and traineeship system which has seen a remarkable expansion in recent years.

1. Shaping our future

Shaping our future argues that there is a strong case to invest more in skills. It points to five drivers: the ageing of the population; economic forces; changing employment patterns; regional and community needs and development; and social inclusion (Box 1).

Box 1: The case for investing in skills

The ageing of the population

As the 'baby-boom' generation reaches the traditional retirement age, Australia will need as many older people working as want to, and workforce productivity across the board will need to increase to minimise pressure on GDP. We will need to change thinking to balance the focus on training young people for work with the retraining needs of existing and older workers. During the life of this strategy, the importance of 'lifelong learning' will well and truly be established.

Economic forces: developing knowledge-based economy, the growing services sector, global competition

The phenomena underlying these forces is the growing significance of knowledge and the ability to handle new literacy demands; innovation and the ability to develop and apply new technologies

Changing employment patterns

The typical worker's career path is becoming less linear and increasingly complex. More and more people have non-standard employment... Standard (permanent full-time) employment now accounts for only half the employed workforce. In 2001, the number of white collar jobs in Australia overtook the number of blue collar jobs, and this trend is expected to continue.

Regional and community needs and development

The future success of individuals, communities, regions and the nation will increasingly depend on high-level knowledge and skills that are transferable between industries. High-quality, accessible and innovative vocational education and training has never been more important.

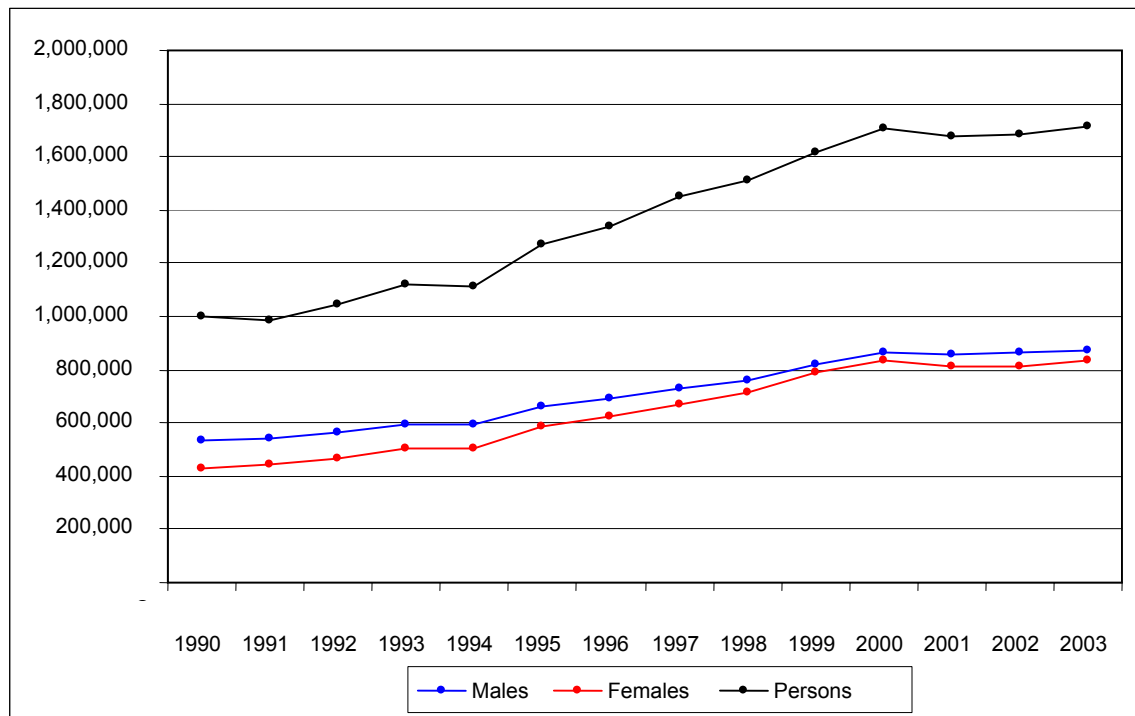
Social inclusion

Australia is more ethnically diverse than ever before. More people with a disability are actively seeking work. The voices of Indigenous people, young people, women, people from diverse cultures and people with a disability among others are being heard and their skill needs increasingly identified and addressed.

As background, *Shaping our future* points to a number of notable developments:

- ♣ A rapid increase in the 1990s in the number of students (Figure 1)
- ♣ An increase in public investment, accompanied by an increase in efficiency (that is reduction in the cost of each hour of delivery)
- ♣ The development of competency standards through the national Training Packages
- ♣ An expansion in the use of employment based training contracts (apprentices and trainees) into new occupations and for existing workers.
- ♣ An increase in competition within the public training market.

Figure 1: TVET students (publicly funded sector) 1990-2003



The paper also notes some challenges, suggesting that reform in Australia's TVET is not yet complete:

- ♣ The need to address persistent labour shortages in some skilled occupations, particularly the traditional trades
- ♣ The need to further develop the Training Package approach (and hence the review to which we turn later)
- ♣ The complexity of the system, with clients have difficulties navigating their way through it
- ♣ The untapped potential of flexible and technology assisted learning
- ♣ The lack of recognition of prior learning
- ♣ Barriers to students moving between TVET and universities.

With this as background the Ministers agreed on the objective of TVET and on four primary objectives for 2004-2010

The purpose of vocational education and training: Vocational education and training provides skills and knowledge for work, enhances employability and assists learning throughout life.

The four objectives are spelt out in Box 2. They cover the needs of industry, a client focus (employers and individuals), the needs of communities and regions, and the needs of Indigenous Australians.

Box 2. The four objectives of *Shaping our future*

1. Industry will have a highly skilled workforce to support strong performance in the global economy

Australia's workforce will have a global outlook, a learning culture and strong technical and employability skills. Industry leadership will be stronger and advice about future demand will be sharper and more robust. The investment by government, businesses and individuals will be used to best advantage to meet this demand. Employers and workers will be more involved in influencing policy and defining competencies for the work of the future. Providers will work in partnership with industry to increase productivity and innovation. Australia will be known for setting a global standard in skills and learning and will have a sizeable share of the international training market.

2. Employers and individuals will be at the centre of vocational education and training

Vocational education and training will have a client-driven culture. Small, medium and large businesses, and people of all ages and backgrounds, will have easy access to products and services that are increasingly customised to their particular needs. They will know what they can expect from vocational education and training, what it offers them, and how to use its pathways. Clients will be enticed to learn throughout life and will know that their skills and qualifications are accepted by all parties across Australia. Diversity will be valued and supported, and products and services will be designed to suit all learners. There will be a stronger focus on existing workers and on people affected by shifts in industry and occupational demand.

3. Communities and regions will be strengthened economically and socially through learning and employment

Integrated learning and employment solutions will support regional economic, social, cultural and environmental development and sustainability. Vocational education and training will stimulate interest in learning. It will strengthen the capacity of TAFE and other providers and brokers to partner with local government and non-government agencies, businesses and industry clusters. It will encourage local planning and innovation and help communities deal with change and take advantage of opportunities for growth.

4. Indigenous Australians will have skills for viable jobs and their learning culture will be shared

Vocational education and training will help increase employment and business development opportunities for Indigenous people and communities, providing a foundation for greater economic independence. Vocational education and training will be enriched through an exchange of learning culture. Indigenous people will be enabled to create and adapt vocational education and training products and services in order to exercise their rights to positive learning environments for their communities.

The four objectives reflect the priorities of governments. The first objective makes it clear that TVET is first and foremost about ensuring that industry has skilled workers. Objectives 2 says that the system needs to be driven by the clients – employers and students – not the providers, while objective 3 emphasises the view that TVET also needs to assist the needs, both economic and social, of communities and regions. Objective 4 acknowledges that in Australia the needs of Indigenous people require special attention.

An important element of the strategy is the implementation plan. Strategies are grouped together under the concepts of servicing, building and improving (Box 3).

Box 3: The strategies to implement *Shaping our future*

There are 12 strategies to address:

- ♣ **servicing** *the needs of business, individuals and communities, flexibly and inclusively*
- ♣ **building** *the capability and capacity of public and private registered training organisations*
- ♣ **improving** *the quality, accessibility, responsiveness and the reliability of vocational education and training across Australia.*

The strategies are described through intended outcomes:

Servicing

1. *Increase participation and achievement, particularly by existing workers*
2. *Help clients navigate and interact with vocational education and training*
3. *Improve the value, brand, language and image of vocational education and training and public recognition of its employment outcomes*
4. *Take positive steps to achieve equality of participation and achievement*

Building

5. *Make a sustained investment in TAFE and other Registered Training Organisations*
6. *Enable training providers and brokers to partner with industry to drive innovation*
7. *Implement flexible funding models and planning and accountability approaches*
8. *Develop a sustainable mix of funding*

Improving

9. *Strengthen industry's role in anticipating skill requirements and developing products and services to meet them*
10. *Make learning pathways seamless*
11. *Improve quality and consistency*
12. *Facilitate access to international markets.*

As can be seen, the national strategy is a comprehensive document. The strategy goes to some pains to point out how it differs from the previous two strategies. It is:

- ♣ *longer*, covering seven years
- ♣ *broader*, going beyond education and training to economic, social, cultural and environmental development and sustainability
- ♣ *more clearly focused on clients* (that is businesses, individuals and communities)
- ♣ *inclusive*, paying particular attention to people facing barriers to learning.

However, I would point to some major similarities and differences relative to the previous strategies.

First, as with the previous strategy, industry is seen as the dominant driver of the system. So industry is listed at the top of a list of key players in vocational education and training. Similarly, the first objective is directed at industry. However, there has been a change in emphasis. The system needs to continue to be responsive to client needs but now it is recognised more clearly that the needs of individuals and communities need to be addressed as well as the needs of industry. Objectives three

(communities and regions) and four (Indigenous Australians) make it very apparent that industry and business should not be the sole focus of the vocational education and training sector.

This discussion should not give the impression that providers and teachers do not matter. Training providers (and training brokers) are mentioned as key players and the fifth strategy is to make a sustained investment in TAFE and other registered training organizations.

Things are going to be tight. In the stock take presented in the strategy, the growth in the system is noted but so also is the increase in efficiency..... *efficiency levels increased by 14% in the five years to 2002.* Strategy 8, the development of a sustainable mix of funding, clearly points to constraints on governments' share of funding. Noting that the states and the federal government are yet to come to an agreement about funding over the next four years, with most of the argument being about what growth funding is needed, one can expect a tight financial environment in coming years.

Another reference worth noting is to the training market. *The training market is now more open, and public funds go to a more diverse spread of Registered Training Organisations and a strong market of providers with a variety of motivations is important to ensuring that clients have choices.* So competition is to be encouraged and government providers should not expect to hold a privileged position. In the vein of openness, the rules surrounding the link between funds and teaching hours are to be loosened from 2005, with the idea of encouraging innovation and links with industries.

It is also worth commenting on the positioning of vocational education and training. The strategy acknowledges that there is a perception that vocational education and training needs to improve its image, and it needs to be easier for people to find their way around it. So strategy 2 is about helping *clients navigate and interact with vocational education and training*, strategy 3 refers to improving *the value, brand, language and image of vocational education...* and strategy 10 is about making *learning pathways seamless*.

Training packages, which specify competencies for the various qualifications, featured heavily in the previous strategy, reflecting the timing of their introduction, and there has been much discussion of them by practitioners in recent years and during the consultations. It would be fair to say that their introduction has not been without controversy. However, as the strategy says.... *Competency standards in Training Packages now cover most skills and knowledge needed for work, and Training Packages are being recognised as a broader human resources tool to drive company performance.*

While training packages did not get much attention in the national strategy, they are a critical element of TVET in Australia. The Australian National Training Authority recently commissioned a 'high level review', to which I now turn.

2. High Level Review of Training Packages

Before considering the findings of the review the nature of training packages needs to be explained. First, they are national, with the idea of promoting portability of qualifications. Second, they are intended to specify the skills needed, rather than how they are to be taught or learnt. The third point is that they have been developed by industry. They are not curriculum documents, although there are associated materials providing training resources. Their essence is the specification of competencies.

It should also be noted that training packages have become the most important way of delivering training but they are not the only way. In 2002 around 56 % of hours of teaching were delivered through training packages, with 95% of apprenticeship and traineeship commencements being in training package qualifications. The remainder is based on curriculum documents accredited by the various state training authorities.

As the first phase of the review, a review of recent research was undertaken (Chappell et al., 2003). Important points to emerge are the world of work is changing and this has implications for TVET. In particular:

- ♣ employment patterns are changing
- ♣ work organisation is changing
- ♣ skill levels tend to be increasing (partly, because of the way work is now organised with flatter management structures)
- ♣ there is an emerging view that knowledge cannot be separated from its context
- ♣ training needs to be more linked to human resource management strategies
- ♣ workplaces are becoming important places of learning
- ♣ standardised curricula are becoming less useful because of the diversity of context
- ♣ cross-sectoral linkages are developing between all education sectors
- ♣ lifelong learning is being seen as increasingly important.

The review findings are documented in the final report (Schofield and McDonald, 2004). In brief:

Our research and consultations re-affirm the labour market and educational value of industry-developed statements describing performance expected in the workplace, and of industry-developed, nationally recognised portable qualifications linked to the Australian Qualifications Framework.

The reviewers recommend that an evolutionary approach be adopted to further develop the training package concept. They have the view that the way forward is to allow rather more flexibility, that it is counterproductive to try to pin everything down (page 13) and propose:

- ♣ fewer (and more meaningful) rules,
- ♣ streamlining and simplifying,
- ♣ more faith in the professionalism of VET practitioners,
- ♣ less focus on risk aversion and more on risk mitigation, and
- ♣ being more open to a disorderly but effective process.

Following on from the review, governments and industry (through the National Training Quality Council) have committed to a work plan (Australian National Training Authority, 2004b) to implement actions emanating from the review. The work plan contains six actions (see Box 4):

In addition, the work plan identified five immediate priorities:

- ♣ Establishing more rigorous Training Package development, review and endorsements processes
- ♣ Reaching a nationally agreed approach for accelerating the incorporation of generic and employability skills in Training Packages
- ♣ Generating strategies in consultation with industry bodies to promote the value of statements of attainment (as distinct from full qualifications)
- ♣ Evaluating current national programs and projects to develop a coherent, integrated strategy to better support flexible teaching, learning and assessment
- ♣ Moving on – bringing about and supporting the necessary changes in the system.

Box 4: Extracts from the summary of the six major areas for action

Action 1: A new “settlement”

The review found that all stakeholders had under-estimated the massive changes that Training Packages represented to providers and systems. Under a new ‘settlement’ Australian National Training Authority will provide the necessary leadership to instill confidence in Training Packages and to develop more supportive and adaptive systems and processes. A shared understanding of the role and importance of Training Packages will be fostered so that Training Packages meet the workforce skill needs of Australian industry now and in the future.

Action 2: Better Training Package design

Training package design will be improved through wider VET stakeholder input into development and review processes. This will ensure the emphasis is on good design rather than rules and that units of competency clearly specify appropriate work performance, knowledge, skills and abilities.

Action 3: Rigorous and inclusive development and review processes

Training Packages must be of high quality and fit for their multiple purposes including providing for entry level training, higher level qualifications and short skill sets.

Action 4: An effective qualifications framework

The Australian Qualification Framework must be clearly understood and interpreted by developers of Training Packages to ensure qualifications and Statements of Attainment meet industry and individual requirements.

Action 5: Supporting teaching, learning and assessment

Mechanisms will be provided to support high quality delivery and assessment under Training Packages and to enhance VET professionalism.

Action 6: Improving pathways

Valid pathways will be available into and through Training Packages and into higher education to meet the needs of the full range of potential learners.

From High level review of training packages. It's happened... what now? (Australian National Training Authority (2004b))

3. Review of the Australian Qualification Training Framework standards for providers

2003 and 2004 has been an active period of review for the key elements in the Australian TVET system. As well as the review of training packages there was also a review of another important element of the national training framework – the standards for training providers. The review (KPA Consulting, 2004) was instigated by federal and state Ministers and involved consultations with policy makers, state purchasers of students places, regulators, providers, teachers and trainers, and employers (as users of training). As with the review of training packages the review of the standards recommends an evolutionary rather than a radical way forward. The standards are seen to be a considerable improvement on their predecessors. Their strengths included removal of unethical training providers, increased assurance for clients and stakeholders through national consistency, improved attitudes to quality management and improved administrative and organisational practices for providers. However, there are a number of areas where action would be profitable. Notable is a view that a quality system must do more than focus on minimum standards. Hence, there is discussion on what is needed for continuous improvement and a suggestion that outcomes rather than inputs and processes need attention. The review also made some comment about the need to

clarify expectations about what standards can and should achieve (a perennial issue for regulatory frameworks) and the need to clarify language (for example, confusion between recognition of prior learning, credit transfer and mutual recognition).

4. Key issues for large enterprises

Shaping the future and the reviews of training packages and the standards for training providers are responses by the system to the changing environment. It is also useful to get a perspective from outside the system, and this is provided by a report prepared for the Business Council of Australia (2004), *Key issues for large enterprises*. This report is based on case studies of the training arrangements in ten large companies. While one has to be careful in drawing strong conclusions from ten case studies, and noting that the case studies comprised only large companies, the report does give food for thought. It points to companies operating in a global marketplace, and responding to rapid technological changes and increasingly sophisticated customer needs. The companies see skill development as critical to their success, and are increasingly approaching training from a whole-of-company perspective. Their training needs focus very much on the enterprise, not on educational sectors or providers (see Box 5). The report argues that changes will be needed to ensure the TVET sector is aligned with what the companies want. The case studies point to a number of issues that need to be resolved around more closely meeting needs of large enterprises and workplaces, soft skills/employability skills, and the hurdles posed by aspects of the regulatory and administrative structures of the system.

Box 5: Preferred Training for large enterprises

Enterprise specific

Enterprise self-manages or directs

Work-based learning

Available when needed

Soft and technical skills

One-on-one as well as group learning

On-going retraining.

From Business Council of Australia (2004) Table E.1

Clearly, the Business Council of Australia believes that more has to be done for the TVET sector to meet the needs of large businesses. However, there are many players – businesses both large and small, providers, governments, students and employees – and their interests do not always coincide. For example, portable qualifications are probably of greater benefit to employees rather than employers (enterprises would be quite happy if the benefits of training accrue only to their enterprise, although they do see a qualification as a motivational device for employees) and governments focus on social issues as well as enterprise productivity. Who pays also is an important consideration. Nevertheless, the agenda put forward by the Business Council deserves serious consideration. The Council would like the sector to address:

- ♣ The capacity of the system to address future skill requirements
- ♣ A sharper delineation of roles and responsibilities between the TVET sector, large business and smaller businesses
- ♣ The costs of the regulatory apparatus

- ♣ Achieving greater autonomy for large enterprises within the national training framework
- ♣ How the TVET system can achieve the flexibility and responsiveness that all stakeholders are seeking.

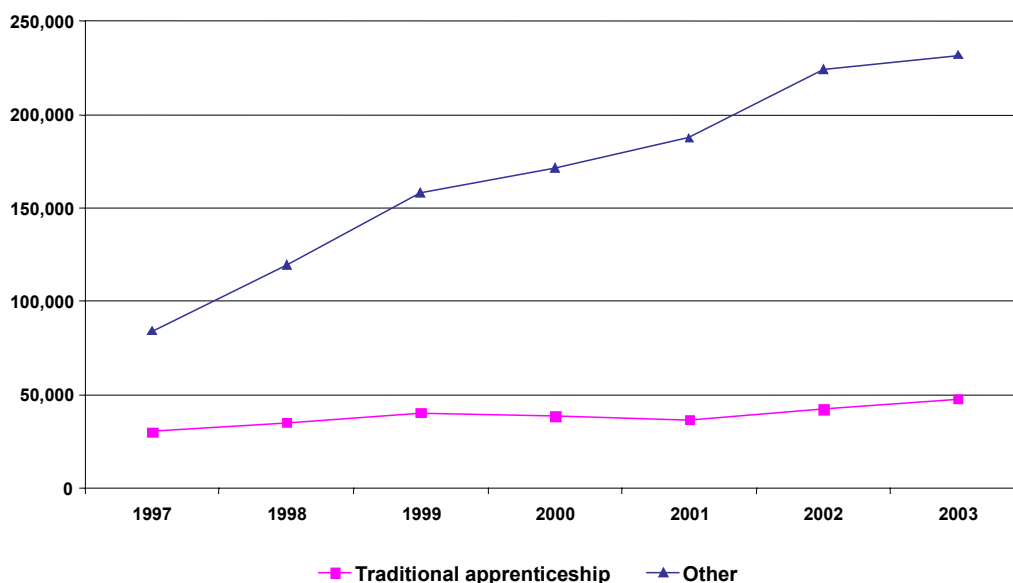
The first and last of these are issues that all stakeholders are keen to see addressed. Indeed, a number of the objectives of *Shaping our future* explicitly focus on them. The cost of the regulatory framework is again one of concern for all stakeholders, and recent moves by the Australian National Training Authority to reduce the number of industry advisory training bodies from 29 industry boards to around 10 skills councils is consistent with a desire to reduce the size of the bureaucracy. The recommendation from the training package review to concentrate on good design rather than rules in training packages is another move to cut the degree of regulation. The need to emphasise soft/employability skills is also one shared by many stakeholders. On the other hand, the second and fourth of the above issues can be seen to be a quite proper push by large enterprises to look after their specific needs.

5. Apprentices and trainees

It would be remiss to discuss current directions in Australian TVET without paying attention to the apprentice and trainee system. This system has seen remarkable growth in recent years as its scope has been broadened to cover 'non-traditional' occupations and existing workers in addition to new entrants. Figure 2 shows the growth since 1997 of the number of commencements of 'traditional' apprentices (for example, butchers and bakers) and 'other' apprentices and trainees. While the number of 'traditional' has seen modest growth, it is the 'other' group that has grown spectacularly as the reach of the system encompasses a broader range of occupations. Industries such as retail, transport and distribution, and business services now have very large numbers of apprentice and trainees. Traditionally, apprenticeships and traineeships went only to young persons and new entrants, but now existing workers can obtain an apprenticeship or traineeship and there are large numbers of adults and older workers taking advantage of the system. In 2003, of the 280,000 commencements over 80,000 were existing workers, while at the end of 2003 45 per cent of apprentices and trainees were over the age of 24 years and 13 per cent were over the age of 44.

However, issues have arisen about these developments and a number of reviews have been carried out (for example, Schofield, 2000). Currently, the federal government is reviewing aspects of apprenticeships and traineeships, paying particular attention to the structure of the incentives to employers that have no doubt assisted the rapid growth in numbers. Other issues that are being considered include under what conditions it is appropriate to allow existing workers to become apprentices or trainees, and quality issues in respect of apprenticeships and traineeships of shorter duration (traditional apprenticeships were three or four years, while some of the newer traineeships are only of one year duration) and those where there is very little off-the-job training.

Figure 2: 'traditional' and 'other' apprenticeships and traineeships
Commencements in the 12 months ending December 1997 to 2003



6. Final Comments

This paper has outlined current directions in Australia's TVET sector. It has portrayed a national system that has been scrutinised closely over the last couple of years. The general picture to emerge is general satisfaction with the underlying structures, but awareness that in today's economic environment change and flexibility, and an emphasis on soft-employability skills as well as technical skills are the key to a healthy system. In addition, the requirements of all stakeholders, and the cost and effectiveness of the institutional and regulatory structures that underpin TVET, need to be taken into account. It is also worth noting that the reports and review I have covered restrict themselves to structural and process issues and give little attention to resourcing issues. In this regard, there are discussions going on currently between the federal and state governments on the level of public funding for the next three years. It is also worth noting that private providers have been growing in importance in recent years and would like to see themselves taken more seriously by governments. Finally, the apprenticeship system has been growing rapidly and is currently being scrutinised by a number of stakeholders. While the apprenticeship and traineeship system has been one of the success stories of Australian TVET, whether there will be any fine tuning of the system in the near future is a matter of conjecture.

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