STANDING COMMITTEE ON EDUCATION, TRAINING AND YOUNG PEOPLE

Vocational Education and Training to Address Skills Shortages

AUGUST 2008
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Resolution of Appointment

To examine matters related to early childhood education and care, primary, secondary, post secondary and tertiary education and vocational training, non-government education, youth and family services, technology, arts and culture, sport and recreation.

Terms of Reference

To inquire into and report on the responses of the vocational education and training sector to skill shortages in the ACT workforce, with particular reference to:

- the demand for vocational education and training and whether this demand is being met in the ACT;
- incentives and impediments to the commencement and completion of apprenticeships or traineeships;
- the appeal of apprenticeships and traineeships as career development pathways, including general community perceptions;
- the effectiveness of apprenticeships and traineeships in addressing skills shortages; and
- other related matters.
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Abbreviations

ACT Accreditation and Registration Council  ARC
ACT Council of Social Service  ACTCOSS
Australian Education Union  AEU
Canberra Institute of Technology  CIT
Construction Industry Training and Employment Association  CITEA
Construction Industry Training Council  CITC
Council of Australian Governments  COAG
Department of Education and Training  DET
Group training organisation  GTO
Information and Communication Technology  ICT
Master Builders Association  MBA
National Centre for Vocational Education Research  NCVER
Recognition of Prior Learning  RPL
Registered training Organisation  RTO
Student to Industry Program  SIP
Students participating in community enterprises  SPICE
Vocational Education and Training  VET
RECOMMENDATIONS

RECOMMENDATION 1
2.19 The Committee recommends that the ACT Government assess the impact that stand-alone project funding provided to specialist industry sectors might have on the maintenance of a technically skilled workforce and the long-term viability of specialist industries in the ACT.

RECOMMENDATION 2
4.29 The Committee recommends that the ACT Government commissions a review of careers advisory capacity within all ACT schools with a view to identifying: appropriate benchmarks for advisory services within school communities, the capacity for career relevant activities to be integrated into the curriculum, and the most effective model for achieving engagement between school communities, VET providers and industries.

RECOMMENDATION 3
4.43 The Committee recommends that the Department of Education and Training consider improving data collection methods as proposed by the Auditor-General’s Report No. 6 of 2006 to better identify reasons for changes in student enrolment and to better target priority skills shortages.

RECOMMENDATION 4
5.29 The Committee recommends that the ACT Government investigate options for funding a skill formation project, like those undertaken as a part of the national skill ecosystem project, in the ACT aged-care and community sectors.

RECOMMENDATION 5
5.51 The Committee recommends that the ACT Government resource a construction industry training development project to identify and implement an industry-led solution to the shortage of employer placements for apprentices within the building and construction trades.

RECOMMENDATION 6
6.38 The Committee recommends that the Department of Education and Training ensure that all primary schools can access programs and other curriculum support resources that would enhance student knowledge and awareness of apprenticeship or traineeship related career pathways.
RECOMMENDATION 7

6.39 The Committee recommends that the Department of Education and Training provide resource and coordination support to all schools to extend awareness within the school community of apprenticeship or traineeship pathways.
1 CONDUCT OF THE INQUIRY

Conduct of the inquiry

1.1 On 11 April 2006, the Committee resolved to undertake an inquiry into the Vocational Education and Training (VET) sector and the capacity of this sector to respond to the current skills shortages being experienced in the ACT.

1.2 The Committee agreed that the terms of reference for this Inquiry should focus on assessing the level of demand for VET courses, the general appeal of traineeships and apprenticeships as career options and the capacity of the VET system to respond to both industry and workforce demands.\(^1\)

1.3 The Inquiry was advertised in *The Canberra Times* on 6 May 2006 and in *The Chronicle* on 9 May 2006. Details about the Inquiry and an invitation to make a submission were also forwarded to a broad range of stakeholders. Information about the Inquiry was published on the ACT Legislative Assembly website.

1.4 During the Inquiry period, the Committee received five submissions and heard from 26 witnesses.\(^2\) The Committee is grateful for the information and advice provided by contributors. The research support of the ACT Government and Assembly Library was also appreciated by the Committee.

1.5 The Committee acknowledges the extensive efforts within the ACT Government and other agencies to improve understanding and develop strategies to address the skills shortage situation. The Committee found the ACT Government submission of particular value to their investigations and that the publications prepared by the ACT Skills Commission were informative as the debate within the community developed.\(^3\)

\(^1\) The terms of reference for the inquiry are included on p. ii of this report.


\(^3\) Publications prepared by and for the ACT Skills Commission can be accessed from the website, <http://www.actskillscommission.org.au/>
Context of the inquiry

1.6 In setting the focus of the Inquiry, the Committee was informed by the Auditor-General’s Report No. 6 of 2006, *Vocational Education and Training* which was released in September 2006.\(^4\)

1.7 The Auditor-General’s report details an extensive technical review of:
- Training frameworks and funding;
- Planning and assessment of industry and community needs;
- Delivery of training services; and
- Outcomes of VET services.

1.8 The Committee attended a briefing from the Auditor-General hosted by the Public Accounts Committee on 14 February 2007 and heard from the Auditor-General at a hearing held on 27 November 2007.

1.9 The Committee took particular note of the Auditor-General’s identification of the need for more transparency in strategic planning by better informing stakeholders of the demand for trainees in various VET areas. Further improvements were advised in the collection of data about training provider outputs and information regarding employer and students outcomes. These matters are discussed in more detail in chapter four.

1.10 Following the commencement of the Inquiry, the ACT Government announced the formation of the ACT Skills Commission as a 2006-2007 budget initiative. The Skills Commission was established with the following terms of reference:
- Provide high level, strategic advice to the Government on skills issues and the strategies required to meet the ACT’s skills needs now and into the future;
- In developing its advice and strategies, consult with stakeholders including business, the community sector, employees, students, education providers and the broader ACT community; and

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• Advise of strategies to draw together the stakeholders so that enduring and systemic solutions are progressed to address skills issues.

1.11 The Committee sought advice from the Commission to further refine the focus of the Inquiry. The Committee had an initial briefing with the then Chair, Professor Ian Chubb, on 8 May 2007 and subsequently invited the new Chair, Mr Derek Volker, to a public hearing on 27 November 2007.

1.12 The Committee is also aware of the national and international context of skills shortages. Attracting and retaining skilled workers has been an issue which affects many industries and has required attention and policy responses from most governments.

1.13 The ACT Government established the “Live in Canberra” program to attract skilled workers and their families from Sydney, regional New South Wales and beyond.

1.14 In a national context, the Australian Government undertook reviews of the requirements and criteria for international work visas and progressively extended the capacity of this scheme to meet national workforce shortages through international recruitment.

1.15 As a priority policy issue, skills shortages have also been subject to considerable research and comment. The Committee found the research produced by the ACT Skills Commission, the Canberra Institute of Technology (CIT), the Department of Education and Training (DET) and the National Centre for Vocational Education Research (NRCVR) particularly helpful.

1.16 The report contains five chapters which discuss the Committee’s findings. Chapter two considers the characteristics of skills shortages and how these have been experienced in the ACT. An overview of the ACT Government’s responses to skills shortages is also provided.

1.17 The key focus for the report is the role that the vocational education and training (VET) system plays in supplying a skilled workforce to the community. Chapter three describes the VET system as a supply side

approach to skills provision and notes some developments in models that are “demand-led” or seek to increase the “investment” of users of the system such as students and employers.

1.18 The fourth chapter provides an overview of two previous reviews of the VET system in ACT and identifies issues around provision of career advice within the school system and collection of VET data regarding student choices as areas requiring improvement if the skills demand is to be met.

1.19 The skill ecosystem model used in some jurisdictions is identified in chapter five as a demand-led option that can work within industries experiencing skills shortages. Several case studies illustrating how this model can improve the negotiations between those who have the biggest investment in the skills development system (students/workers, trainers and employers) are outlined.

1.20 The sixth chapter discusses how perceptions of skills training can be improved and considers these perceptions in terms of skills acquisition being a life long pursuit in modern economies. In particular, the chapter focuses on:

- Concerns about “wastage” within the training system;
- The need to provide accurate information to parents and family as sources of early career advice; and
- The importance of expanding the capacity of the system to recognise prior learning.
2 SKILLS SHORTAGES IN THE ACT

2.1 Throughout the Inquiry, skills shortages have been a constant point of public debate and media reporting. The shortage of skilled workers is seen as one of the major challenges confronting the Australian economy into the future. At the Territory, State and National levels, strategies for sustaining a skilled workforce into the future have captured the attention of industry bodies, businesses and governments.

2.2 In the ACT, efforts to maintain the level of skilled workers required to sustain a productive economy have been a topic of concern for some time. Over the last decade, Canberra has experienced relatively low levels of unemployment compared to other jurisdictions. This factor, and the competition from other jurisdictions to recruit skilled workers, has intensified the sense of concern for the Territory.

2.3 The rate of unemployment in the ACT has been on a steady down-ward trend and reached a plateau of around 2.7 per cent in the first half of 2008.6 Labour force data for April 2008 indicated a 0.2 percentage points increase in workforce participation rate (from 72.8 per cent to 73.0 per cent) and an increase of 0.1 percentage point in the unemployment rate (from 2.7 per cent to 2.8 per cent).7

2.4 The Committee is of the view that historically low unemployment rates have exacerbated the skills shortages experienced in the ACT economy during 2007 and 2008. At one hearing the ACT Chamber of Commerce and Industry advised the Committee that:

...we have had a fast-growing economy for the last nine or 10 years. We have been growing quite strongly. Business has been trying to grow. We have been

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soaking up the skill shortage that we had in the past. I have been talking about
the skill shortage now since the year 2000.8

2.5 However, as has been noted, the shortage of skilled workers is not unique to
the ACT and many of the characteristics of the skills shortages in this region
are common to other jurisdictions.

Definition of skills shortages

2.6 The concept of skills shortages is not entirely straight-forward. The term has
become a catch-all term to describe any difficulty met in recruiting or retaining
staff. As the Department of Education and Training has noted, the experience
of finding employees with the right skill set can involve:

- Recruitment difficulties;
- Skills gaps; or
- True skills shortages.9

2.7 The broad workforce experience characterised as “skills shortages” may
require different solutions as a consequence. These matters are discussed
below.

Recruitment difficulties

2.8 Recruitment difficulties involve a shortage of people applying for a particular
position and the most immediate solution would “require employers to offer
more suitable employment conditions.”10

2.9 The Committee acknowledges that recruitment can be especially difficult in
the ACT where the labour market is particularly tight and that the implications
for some industry sectors are acute. For instance, the ACT community sector

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8 Mr Peters, Transcript of evidence, 13 May 2008, p. 109
9 Department of Education and Training (2007) ACT Annual Vocational Education and Training Priorities
and Training, Nature and causes of skills shortages: Reflections from the Commonwealth National Industry
10 Department of Education and Training (2007) ACT Annual Vocational Education and Training Priorities
2007-08, p. 14
consistently experiences recruitment and retention difficulties. For a number of years, the peak body for the community sector, the ACT Council of Social Service (ACTCOSS), has highlighted the ‘large pay and conditions differential between similar positions in the ACT community sector and the public service, and the difficulties [community] organisations have in maintaining a skilled workforce.’

2.10 As a consequence ACTCOSS has called for support from Government and unions ‘to improve the remuneration and conditions of community sector workers as a strategy to address high staff turnover and the consequential erosion of the skill base of the sector.’

2.11 The Committee notes that the ACT Government has supported the establishment of the portable long service leave arrangement for the community sector but considers that additional resources may be required to support an industry led response (see recommendation 4).

2.12 Similar concerns were raised during the Inquiry about the wages and conditions of CIT teachers who provide skills training in a range of fields. As staff reach retirement age, the Australian Education Union (AEU) advised the Committee that recruitment may become a more substantial problem as tradespeople may opt to remain ‘with the tools of the trade’ as a more lucrative option to full-time teaching roles.

2.13 The Committee notes that recruitment difficulties may reflect competition for skilled workers between different sectors.

**Skills gaps**

2.14 In industries where technological change or the introduction of specialist

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13 Mr Haggar, *Transcript of evidence*, 20 March 2008, p. 29
equipment can affect work practices, skills gaps can occur. In these cases, the solution would ‘require tailored gap training usually in small skill sets, such as using new technology.’

2.15 Strategies to up-skill workers would not necessarily involve the acquisition of additional vocational qualifications but rather the development of ‘specialised knowledge, skills and experience needed to adapt to new technology and new methods of working.’ Specialist training programs or on-the-job training would meet the skills needs arising in the case of skills gaps.

2.16 During the Inquiry, the Committee heard that skills gaps can also occur in specialist industries subject to project funding. Dr McGregor, a researcher at the School of Astronomy and Astrophysics at the Australian National University, described the difficulties experienced in sustaining the skill sets required for the construction of optical instruments for telescopes in the ACT. The construction of telescopes is periodic and project funding had provided ‘enough money to do the prescribed piece of work...but you have no ability to train other people and do anything outside that.’ The cyclical nature of project funding meant that the Observatory could not continue the employment of specialist technicians. Dr McGregor also explained that 10 or 15 years ago:

...there was sufficient money in this sort of activity to be discretionary about what you did and you could afford to have traineeships and apprentices and bear the inefficiencies associated with that. But when you are under an excruciatingly tight budget, you just cannot afford to do that.

2.17 The experience for the Observatory had been one of training and developing the specialist skills of mechanical engineers, electronics technicians and fitters and turners who then go on to secure, permanent work in other organisations at the completion of projects. The skills acquired during the project are lost, leaving a recurring skills gap in this highly specialised industry.

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14 Ibid
16 Dr McGregor, Transcript of evidence, 20 March 2008, p. 52
17 Ibid, p. 52.
2.18 The Committee notes that gaps in the level of skills within a workforce can be caused by technological improvements or in specialist sectors which expand or contract according to public project funding. Skills gaps may compound, or be compounded by, the experience of skills shortages within a specialist field.

**RECOMMENDATION 1**

2.19 The Committee recommends that the ACT Government assess the impact that stand-alone project funding provided to specialist industry sectors might have on the maintenance of a technically skilled workforce and the long-term viability of specialist industries in the ACT.

**Skills shortages**

2.20 True skills shortages are defined by the Department of Education and Training as ‘a lack of people in the community with the desired skills.’\(^{18}\) The Commonwealth Government has elaborated that:

\[\text{Skill shortages exist when employers are unable to fill or have considerable difficulty in filling vacancies for an occupation, or specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and reasonably accessible location.}\]

\[\text{Shortages are typically for specialised and experienced workers, and can coexist with relatively high unemployment overall or in the occupation. An occupation may be in shortage even though not all specialisations are in shortage. Occupations may be in shortage in particular geographical areas and not in others. Skill shortages generally involve skills that require a significant period of training and/or experience.}^{19}\]

2.21 The Committee notes that in particular professional areas such as general practice doctors, Canberra has experienced less than optimal numbers of practitioners to meet the needs of the population over a number of years. Similar experiences have been reported in other jurisdictions indicating that a true skills shortage can be identified. Unlike other jurisdictions, however, the ACT has experienced a seven per cent decline in the number of general


practitioners between 1995-96 and 2006-07. There have been concerted, but not always successful, efforts by medical profession representative bodies and the ACT Government to boost the number of practitioners in the ACT.

Consequences for the ACT

2.22 The Government’s submission to the Inquiry observed the different types of shortages of skilled workers – recruitment difficulties, skills gaps and true skills shortages - are often conflated in the public debate so the public perception of the extent and depth of skills shortages has become inflated. Nonetheless, the submission noted that:

…true skills shortages do exist in key sectors of the ACT economy and if not addressed will cause major problems for the future of the Territory, such as:

- constraints on business capacity to invest in job creating ventures;
- constraints on government capacity to promote economic development and social advancement;
- declining stocks of key infrastructure maintenance skills (eg: engineering, plumbing, electro-technology, construction);
- reduced capability to provide quality health care a time when the demands on health services will increase due to the ageing of the population; and
- reduced capability to provide quality education services.

ACT responses

2.23 The ACT Government has observed that:

The ACT is not alone in facing the complexities of skill shortages. All jurisdictions are facing similar issues, with local imperatives added to the issues faced nationally.

2.24 In light of the potential consequences of prolonged skills shortages, most jurisdictions have developed an extensive skills policy agenda with the

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21 ACT Government, Submission no 3 - Inquiry into Vocational Education and Training (VET) and Skills Shortages, August 2006, p. 15

22 ACT Government submission, p. 5
objective being to research, identify and respond to the specific circumstances experienced in each jurisdiction.

2.25 However, there are cross-jurisdictional issues to be addressed. In developing an agenda for the ACT, the Government has indicated that:

The ACT Government, along with other jurisdictions, also recognises that substantial reform of Australian’s education and training systems is required to boost productivity and participation in the economy, improve human capital outcomes for all Australians and reduce entrenched disadvantage in Indigenous and other communities.23

2.26 In addressing the broad economic, social and political context in which skills shortages occur, the ACT Government developed a broad-based policy response which has included:

- The Live in Canberra campaign which commenced operation in 2006 with the objective of publicising in various interstate and international locations the advantages of living and working in the ACT. While it has been difficult to measure the outcomes of the campaign, international migration has nearly doubled since 2003-2004 (from around 450 to around 800).24
- The pursuit of strategies set by ministerial agreement at the Council of Australian Governments (COAG), including ‘national reform focused more squarely on the users of the vocational education and training system, including in relation to competition, contestability, regulation, quality assurance and consumer information.’25
- Further investment in general education and vocational education and training (discussed throughout this report); and
- The establishment of the ACT Skills Commission and the development of ACT Skills Future Initiatives (discussed below).

23 ACT Government (2008)
ACT Skills Commission

2.27 As a part of the 2006-2007 Budget, the ACT Government announced the establishment of the ACT Skills Commission. The purpose of the Commission was to provide ‘leadership and coordinated effort in one of the key areas impacting on the prospects of economic development today – skills shortages.’ The membership and terms of reference for the Commission was announced on 9 November 2006.

2.28 The Commission undertook consultations, collected and commissioned a number of reports and received submission from a range of community stakeholders. In October 2007 an interim report was released ‘to record the directions and recommendations of the Commission for discussion with the ACT government and the ACT community.’

2.29 The final report of the Commission was released in April 2008 and contains recommendations related to the following five strategies:

- Strategy 1: A sustainable population growth policy;
- Strategy 2: Targeted workforce development;
- Strategy 3: Supporting the existing workforce;
- Strategy 4: Developing the future workforce; and
- Strategy 5: Engaging with the Australian Government.

ACT skills future strategy

2.30 In May 2008, the ACT Government released a strategy in response to skills shortages which has built upon the work undertaken by the ACT Skills Commission and the agenda set by the COAG. In developing the ACT Skills

Future strategy, the Government has recognised factors such as population growth, housing, education and support for children and families as a foundation for a successful strategy.30

2.31 The Strategy has indentified that there are some significant demographic factors that will influence the ACT workforce into the future, including that:

- Young people have moved to the ACT for study and provide significant migration growth but, overall, net migration has been negligible;
- The probable decline in workforce participation rates as the population ages; and
- Four out of every ten people of working age do not have a non-school qualification.

2.32 The ACT Skills Future Strategy has identified eighteen key initiatives to be adopted. These initiatives are listed and briefly described below.

- Study, work and stay program to encourage international students to become familiar with local work opportunities by establishing a work placement program.
- Securing the right people for the ACT workforce by furthering the objectives of the Live in Canberra campaign and improved targeting of the national skilled migration program.
- Modelling and planning for a skilled future to improve the demographic data available for strategic thinking by industry.
- Timor Leste skills development exchange program.
- ACT public service workforce will be a focus for retention and attraction strategies.
- ACT health and education workforces require distinctive strategies.
- ICT traineeships will target Years 11 and 12 students, especially women.
- Private sector training initiative to encourage private sector investment in skills development.

• **Skills/training for the not for profit and community sectors** recognises the specific difficulties in recruitment, training and retention experienced in this sector.

• **Participating in National productivity agenda** which is currently focused on improving the conditions for lifelong learning from an early age as well as enhancing the capacity for mutual recognition of skills between jurisdictions

• **Navigating the skills system** responds to the difficulties experienced by employees and employers considering the best training option by improving transitions into and out of the VET system.

• **Improved transitions from school to study and employment initiatives** will increase the level of services available to students and extend the opportunities provided by such programs as the Students Participating in Community Enterprises (SPICE).

• **Engaging the unemployed and underemployed** through the provision of specialist equipment for CIT students with special needs, the continuation of the “silver lining” initiative which targets mature aged people and programs to support mothers to re-enter the workforce and long term unemployed people to engage.

• **New qualification pathways** ranging from accelerated apprenticeships programs to better use of recognised prior learning as well as undertaking a review of Group Training Organisations (GTOs).

• **Careers guidance reforms** which will lead to an improvement in the quality of career advice available to ACT students.

• **School retention age** will be reviewed as a part of a general strategy to increase the percentage of students who complete year 12.

• **National VET initiatives** will allow an increase the number of training hours that can be provided by CIT.

• **New education and skills infrastructure** with specific plans to relocate CIT horticultural facilities to Bruce, an upgrade of technology and major equipment proposed and the feasibility of extending the Fyshwick trade centre will be considered.

2.33 The Committee considers the Strategy to be an extensive and well-researched
response to the skills shortages being experienced in the ACT. The Committee anticipates that further details about the progress of these initiatives will be provided to the Legislative Assembly in due course. The Committee makes no further comment about the general strategies adopted by the ACT Government.
3 VOCATIONAL EDUCATION AND TRAINING SYSTEM

3.1 The VET system was redeveloped in the 1980s and 1990s in response to changes in the structure of the economy (decline in manufacturing and growth in service industries and ICT) and high unemployment within certain demographic groups including youth, women, people with disabilities and older workers. Economic factors also led to an increase in outsourcing (affecting the capacity of large employers to support 4 year apprenticeships) and the casualisation of the workforce.

3.2 The relationship between the VET and education systems has also changed over this period with the introduction of training opportunities while still at school, such as Australian School-based Apprenticeships.

Development of the national training system

3.3 A 1985 review undertaken by Peter Kirby is widely recognised as a turning point in the structure of the apprenticeship and VET system. Looking back, Peter Kirby has noted that:

The Australian apprenticeship system today is almost unrecognisable from the one that I and my colleagues reviewed in 1984 as part of the Commonwealth Government’s National Inquiry into Labour Market Programs. Then we found an apprenticeship system that had changed little in the post-Second World War period, one which was restricted to the skilled trades and almost exclusively catered only for young males. We recognised the need for change, particularly in a wider range of training opportunities combining work with formal off-the-job training were to be made available to all groups of young Australians. The review recommended a new system of youth traineeships to complement apprenticeships.31

3.4 However, from the outset, the development of the traineeship model was contentious as some stakeholders perceived the model as:

...a labour market program to reduce youth unemployment while for others the focus was to improve the quality of training in areas traditionally not involved with the apprenticeship system.\(^{32}\)

**Growth in traineeships**

3.5 Despite subsequent efforts to reduce rigidities and improve the applicability of traineeships to meet industry requirements and to achieve integration with the apprenticeship system, the traineeship system continued to be criticised as a second rate apprenticeship system designed primarily for disadvantaged youth. In 1996, a new scheme sought to introduce greater industry involvement, establish “user-choice” capacity into the system and expand the opportunities for VET in schools.\(^{33}\) This structural shift was the precursor to the New Apprenticeship model.

3.6 Growth in the number of trainees nationally between 1996 and 2002 is estimated at around 300 per cent.\(^{34}\) Traditional apprenticeship registrations remained relatively constant and therefore growth was in new industry areas including transport and storage, retailing and health and community services. In part this growth reflected changed policy allowing payment for existing employees. About one-third of all training commencements were in this category. There has been a subsequent change in the age of trainees with most being aged over 25 years old.

**Meeting skills needs in a user-choice system**

3.7 The recognition of skills shortages in the Australian workforce has complicated the VET policy agenda considerably.

3.8 A 2003 Senate report entitled *Bridging the Skills Divide* questioned the capacity

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of a demand driven (or user-choice) system to target priority skills areas. The report noted the view expressed by some stakeholders that:

...the rapid growth in training in low skill industries with no skill shortages, driven largely by New Apprenticeships incentives, alongside a stalled or declining training rate in high or intermediate skill occupations, some with serious skill shortages, represents a serious misallocation of public resources.35

3.9 The right mix of funding incentives has continued to be debated. Discussions focus on how to best to harness the user-choice system to ensure a balance between the interests of, and costs incurred by, training organisations, industries, trainees and governments.

Reframing the future initiative

3.10 The current national policy initiative *Reframing the Future*, incorporates a number of elements of the COAG productivity reform agenda. The objective of this agenda is to establish a new approach to apprenticeships, training and the recognition of skills nationally by supporting the development of the vocational education and training system.36 The objective will be to ensure that:

Australia’s training and apprenticeship systems offer more flexible pathways into skills-shortage trades. Legislative, regulatory and educational barriers will be removed so that school-based apprenticeships are nationally available as a pathway for school students where there is industry demand.37

3.11 The COAG objectives will ‘involve collaboration across the public and private sector, and a genuine partnership involving parents, children, students, employers and all levels of government.’38

3.12 The Commonwealth Government has also recently announced the possible

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36 Details are available from the Reframing the Future website at <http://www.reframingthefuture.net/Default.asp>


38 Ibid, p. 10
introduction of a “voucher-like” system and this will be a focus for COAG discussions on the VET policy agenda.

**Implications for solutions to skills shortages**

3.13 The Committee appreciates that recognition of skills shortages in the workforce added a different dimension to views about the VET system which is now being asked to deliver an adequate number of well-trained workers to meet these shortages. It seems clear given the structure of the system, however, that the capacity to meet these skills needs is not simply a matter of increasing resources and/or achieving greater efficiencies in the current system. The Committee recognised that the incentives now built into the system can make it difficult to direct trainees into particular areas of need.

3.14 In part this reflects changes to the nature of the workforce. For instance, responsibility for addressing the training needs of casualised workers with few qualifications and limited opportunities requires additional commitment from employers in highly casualised industries. On this matter, the Committee heard from the Canberra Business Council that this was an issue in the hospitality area and that:

> …a lot of the training incentives are not available to casual employees. You may have noticed as you move around Canberra that virtually every restaurant has a sign up saying they are wanting skilled people to work there. Training in that area is of particular concern.39

3.15 The ACT Government submission identified the following strategies to improve flexibility in the VET system:

- Refocus funding to areas of skills need;
- Continue to focus on higher-level qualifications;
- Improve transitions between school and work;
- Focus on people and industries currently under represented in training; and
- Streamline the administration of VET services.

3.16 The Committee also notes the commitment made by the ACT Government to:

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39 Ms Faulks, *Transcript of evidence*, 27 March 2008, p. 82
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...continue to contribute to national discussions and support reforms to enhance the levels of human capital in the ACT in the long term interests of labour force participation and productivity.40

Supply-side limitations

3.17 A key theme from the Inquiry has been the limitations of supply-side solutions to skills shortages. The Committee noted that the provision of VET, by its nature, is a supply-side response to the general demand for skills.

3.18 Supply-side policy options have included:

- Provision of incentive to individual (such as, traineeships or scholarships);
- Regulation of qualifications and competencies;
- Funding of training providers;
- Coordination of information within the sector; and
- Fostering cooperation between industries, trade and professional bodies and regulators in different jurisdictions.

3.19 However, the Committee has also noted that the research has begun to focus on how the skills supplied through training and skills in demand by employers can be matched.

3.20 The Auditor-General advised the Committee that the Queensland Government had developed a ‘dual skills policy regime’ which integrates individual skills policy and industry skills policy.41 The rationale behind a dual policy approach is that public investment in the development of skills alone will not improve productivity42 nor meet the skills demands currently being experienced. Rather, the approach in Queensland (and some other jurisdictions) has been towards better integration of policy between the

40 ACT Government, ACT Skills Future, p. 20
41 Ms Pham, Transcript of evidence, 27 November 2007, p. 9
individual, industry and VET levels.\textsuperscript{43}

3.21 The \textit{Queensland Skills Plan} introduced in 2007 the following four key objectives into the Queensland Government’s education, training and employment policy structure:

- a training system that works for Queensland;
- training that works for industry and employers;
- training that works for the trades; and
- training that works for individuals.\textsuperscript{44}

3.22 The Committee notes the practical difficulties for implementing such a policy as the training needs for each of these groups can vary significantly.

3.23 For example, industry and employers will be primarily concerned with the business context in which their productive activities are conducted. Concerns about the skill level of their workforce will, first and foremost, be concerns about achieving business goals. In this context, training is likely to be, at best, a secondary priority in the day to day activity of the organisation.

3.24 Equally, priorities for students may reflect specific individual goals including:

- gaining general employment;
- mid- or long-term career development plan; or
- a general interest in a skills area (which may, or may not, be directly relevant to an individual’s current workforce status).

3.25 It is difficult to see how these different demands on the training system can be matched. Research has highlighted the problems that arise when demand-side options are neglected, however.


Demand-led options

3.26 The dilemma of a one-sided government policy focus was clearly articulated in the Leitch Review of Skills, an extensive and influential review of VET in the United Kingdom. The Review concluded that:

...previous approaches to delivering skills have been too ‘supply driven’, based on the Government planning supply to meet ineffectively articulated employer demand. This approach has a poor track record – it has not proved possible for employers and individuals to collectively articulate their needs or for provision to be effectively planned to meet them. Employers are confused by the plethora of advisory, strategic and planning bodies they are asked to input to. Under a planned system, the incentives are for providers to continue doing what they have done in the past so long as that meets the requirements of planning, rather than responding flexibly as demand changes.45

3.27 The Review advocated that the vocational education and training system be fully transformed to a “demand led” system in which funding is provided to providers which attract customers rather than through block grants. This, the Review suggests, ‘is the only way in which to increase employer and individual investment in skills and ensure that increased investment delivers economically valuable skills.’46 The final report recommended that VET policy be focused towards achieving the following objectives:

- demand-led funding;
- strengthening the employer voice; and
- economically valuable skills.47

3.28 While the Review focused on some difficult structural issues in the UK systems, there are some comparable “demand-led” innovations in the delivery of VET being proposed as a part of the COAG national productivity agenda.

3.29 While the Committee does not intend to address these matters in this report, it does note the implications of this assessment of the structural imbalance in the


46 Ibid.

funding and planning for vocational education and training services for strategies to resolve the skills shortages being experienced within the workforce.
4 VET IN THE ACT

4.1 The Committee observes that the ACT is well served by the VET system in meeting the training needs of the ACT community. The question is whether the VET system can meet the skills needed by the community.

4.2 One view was articulated during the 2008-2009 Estimates Inquiry by the Canberra Business Council which put their position on the skill shortages situation clearly:

…we believe that the education and training institutions in the ACT are of such a calibre that we can train the population if we have them. The problem is that there are not enough people here to fill the vacancies that are currently in both the public sector and the private sector workforce.

We would see the first step, the threshold issue if you like, as to attract people to come to Canberra to work, because we are confident that the institutions here can train them when they come. Obviously there are some issues around apprenticeships and VET training, but we have exceptionally good institutions for training and for skilling people, so it is really a population issue first and foremost.48

4.3 On this view, the preparedness of the VET system to grow and respond to any newly arrived population groups will be crucial in meeting the skills needs of the community. When this population growth will occur cannot be determined, however.

4.4 Consequently, the Committee considers there is a need to seek innovations and adaptations which would improve the capacity of the system to meet this demand but also to further improve the capacity of the system to target and meet the current priority requirements of both students and employers. In other words, to enhance the demand-led capacity of the system as being pursued in other jurisdictions.

4.5 The Committee agrees that, in general, the ACT vocational education and training system is well placed to respond to the training needs of the community. Indicators are that the system is responsive, adaptive and willing

48 Ms Faulks, Select Committee on Estimates - Transcript of Evidence, 19 June 2008, p. 169
to adopt innovative approaches to the delivery of training services. Several examples of innovation became evident during the Inquiry and are discussed throughout the report. The Committee notes the financial commitment to the VET system in the 2008-2009 Budget to support this innovation.

**Overview of VET in the ACT**

4.6 The principal provider of VET services in the ACT is the Canberra Institute of Technology (CIT) which accounts for approximately 80 per cent of total ACT public expenditure.\(^4^9\) In 2007, the CIT catered for 18,500 VET students, providing a total of 4,861,600 hours of VET course delivery. This represents over 77 per cent of the total provision for the Territory.\(^5^0\)

4.7 Additional VET services are provided by public and private training organisations which are accredited and registered to deliver services under criteria established by the national quality training framework. Registered Training Organisations (RTOs) are accredited and monitored by the ACT Accreditation and Registration Council (ARC) – a statutory body comprised of representatives from business, training and education sectors.

4.8 National Centre for Vocation Education Research (NCVER) data indicates that there are 82 registered training organisations in the ACT.\(^5^1\) This includes all ACT secondary colleges which are registered to provide training. A number of government departments are also RTOs. The Committee was advised by ARC that interstate based training organisations also provide VET services in the ACT bringing the total operating in the ACT to 110 RTOs.\(^5^2\) These RTOs provided approximately 1,375,900 hours of VET service in 2007.\(^5^3\)

4.9 A combination of Commonwealth and ACT Government funding


\(^{52}\) Mr Jorgensen, *Transcript of evidence*, 8 July 2008, p. 148

arrangements support the delivery of VET services either through direct funding agreements or user choice systems.\textsuperscript{54} The Auditor-General identified the following funding programs in the ACT:

- Annual funding for the CIT;
- Australian apprenticeships “user choice” program;
- Strategic Priorities Program;
- Adult and Community Education;
- VET in Schools:
- Australian Schools Based Apprenticeships; and
- Career education.\textsuperscript{55}

4.10 The funding for the CIT was increased in the 2008-2009 Budget to will allow for 35,000 additional hours of training delivery.\textsuperscript{56} Increased funds in the 2008-2009 Budget were also provided for:

- User choice program to extend capacity in the training of apprentices;
- SPICE (students participating in community enterprises) program for students at risk of not completing high school;
- Moving forward program, which will improve students access to career and vocational learning as they enter the college system; and
- Skills shortage facilitators to liaise with key stakeholders and government on skills initiatives.\textsuperscript{57}

**VET in review**

4.11 The focus of this Inquiry has been was on the capacity of the VET sector to respond to the skills shortages being experienced in the ACT. As has been discussed, the Committee considers the VET system in the ACT to be relatively

\textsuperscript{54} Some delivery of VET services (less than 10 per cent) are also provided on a fee for service basis or for full-fee paying overseas students.


\textsuperscript{56} ACT Government, Budget paper no 3, p. 107

\textsuperscript{57} ACT Government, Budget paper no 3, pp. 100-101
adaptive and innovative. There are areas where the opportunities for further interaction with the community could be enhanced. Some of these matters have been raised in previous reviews of the VET system including:

- Standing Committee on Education report no. 3, 2003, *Pathways to the Future*; and

**Pathways to the Future**

4.12 In August 2003, the Standing Committee on Education tabled a report titled *Pathways to the future: report on the Inquiry into Vocational Education and Training in the ACT*. This report provides an extensive overview of the VET system as it operated at the time. Some organisational changes have occurred since following federal government funding changes and legislative changes in the ACT. The Government responded to the report in November 2003 and all recommendations had been addressed by end June 2006.

4.13 Two recommendations were considered by the Committee as being relevant to their Inquiry:

- **Recommendation 30:** The committee recommends that the Government instigate proposals to better and more formally manage complaints made regarding VET issues, in this regard the committee recommends the investigation of:
  - the model employed in Queensland in relation to its Apprenticeship and Traineeship Ombudsman;
  - the establishment of a single point of contact for complaints; and
  - the effective promotion of the complaints management regime once implemented.

- **Recommendation 38:** The committee recommends that the Government:

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59 For instance, the Vocational Education and Training Authority (VETA) was disbanded in 2006 following legislative changes to the administration of VET.
a) undertake an audit of careers advisory services in high schools, colleges and CIT, and in conjunction with teachers, set appropriate benchmarks for service levels across all schools;  
b) investigate the appropriateness of including career and work planning in the core curriculum of high schools and colleges; and  
c) investigate measures to improve and maintain wide ranging, up-to-date industry knowledge in those teachers undertaking the role of a school careers advisor.

4.14 The effectiveness of the VET complaints and feedback system was discussed in some detail in the Auditor-General’s report and is discussed in the next section. The second recommendation (no. 38) regarding school-based careers advice highlights an area where considerable work will be needed to meet a demand-led response to skills shortages.

**Early career guidance**

4.15 The importance of well informed career guidance within schools is a matter that was raised during the VET and Skills Shortage Inquiry. The details will be discussed in chapter six, but the recommendation of the earlier committee’s deserves some consideration at this stage.

4.16 The recommendation highlights the need to establish capacity within the education system to provide sufficient and accurate advice to young people to whom the world of paid work is unknown. In responding to the *Pathways to the Future* report, the Government agreed to address the proposals raised.60

4.17 However, the Committee notes the subsequent input on this issue provided by the ACT Skills Commission final report which identified career guidance as a significant issue of concern during consultations. The Commission recommended a significant increase in the capacity for career planning, including additional training and support for teachers. They proposed the establishment of “Regional Skills Development Hubs” (north- and south-side)

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to support the career decision-making of young people.61

4.18 In the *ACT Skills Future* paper, the ACT Government indicated that the Department of Education and Training ‘will ensure that all teachers delivering career advice in schools qualify in the new Certificate IV in Career Development by 2012.62

4.19 During the Estimates 2008-2009 Inquiry, the Chief Executive for the Department of Education and Training advised that:

…we are going to ask that each of those career advisers will hold a certificate IV in career development and employment by 2012, so that they are keeping track of the AQF and professional standards in career developments. That is incredibly important, so that they are getting qualifications in their field. Indeed, a great deal of work has been done around professional standards for careers advisers that will also come into place in 2012. So getting our people and our workforce ready to get further qualifications in subject specialty areas is of critical importance to career development.63

4.20 The Committee notes however, that the Certificate IV qualification is available as an on-line course, but the Department intends to negotiate with the Canberra Institute of Technology (CIT) for local provision.

4.21 The intention to require the professional development of careers advisors in the education system was augmented with additional resources in the 2008-2009 Budget. The allocation of over $800,000 for the next four years will allow for:

…targeted staffing support to each ACT Secondary college to facilitate the transition of students as they enter and move through the college sector of improve student’s access to careers programs and vocational learning. The teachers will work between the college and high schools in their region and embed transition activities and pathways planning in the college sector; review and manage a range of VET programs; and expand and improve current careers activities in colleges.64

4.22 At one hearing, the Minister for Education and Training noted that:

There is a particularly strong need in our college system now to provide that

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63 Dr Bruniges, *Select Committee on Estimates 2008-2009 transcript of evidence*, 16 May 2008, p. 82
expert careers guidance through a targeted initiative to provide this careers advice in each of our secondary colleges and to further develop the links between high schools and colleges that are already there and are very strong. The review of secondary colleges identified the need to further develop those links, and this initiative provides the staffing capability to achieve that.65

4.23 The Committee also acknowledges the significance of the Student to Industry Program (SIP) which provides career advice in all secondary schools. The Manager of the program appeared before the Committee and advised that SIP’s:

…main role is to support the career transition of young people aged 13 to 19 on their journey through school and beyond school into employment and further training and education. We do that through a raft of programs that we have offered over the last two years under the Career Advice Australia initiative, which is what DEEWR have funded us for. Our contract requests that we work with all secondary schools. That meant that last year we worked across at least 40 of the 45 schools in the secondary sector, which is a very high proportion. As well, we also connected with in excess of 10,000 of the 28,000 students in that age group.66

4.24 The Committee acknowledges that progress has been made towards meeting the recommendation of the Pathways to the Future report regarding careers advice. However, there are aspects of the recommendation that do not appear to have been addressed as yet. For instance, opportunities to embed career development planning within the curriculum implemented in 2007 have not been addressed.

4.25 At one hearing during the Inquiry, the Chair of the Skills Commission noted the importance of quality advice for young people, observing that:

One assumes that careers advice is very important, but I also assume that the quality of the advice would be crucial because you can get advice that is not going to be very beneficial from the point of giving you realistic information about what are the best opportunities and so forth. But that is certainly something that I think has to be given more thought.67

4.26 The Manager of the SIP echoed this view about the need to reconsider the scope of the careers advice that is provided by the education system,

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65 Mr Barr, Transcript of evidence, 8 July 2008, p. 136
66 Mr Doyle, Transcript of evidence, 20 March 2008, p. 43
67 Mr Volker, Transcript of evidence, 27 November 2007, p. 17
commenting that:

I think it is fair to say the education sector moves reasonably slowly in terms of change. That is a natural thing and so, whilst I think they, over the last decade, have been very positive in terms of engaging with vocational and other industry-based learning, it is now time to move that on, even more so with the students but beyond that into the parent community, to solve that problem of whether or not we are going to have a long-term view of meeting the needs of training in the ACT.68

4.27 The Committee considers that the persistence and scope of the discussions about the effectiveness of career advice in ACT schools suggests that a more thorough review is warranted. Within the discussions that have been held in a variety of public forums, including this Inquiry, a number of different ideas and options have been canvassed and solutions proposed. It is clear that the Government is seeking to develop the capacity for high quality career advice within the education system.

4.28 However, the Committee also notes some indications within the discussions that this model may not go far enough in linking education experiences to career choices. The value of early exposure to career options is discussed in chapter six. The Committee considers that a review of career advisory practices in ACT schools would canvas existing services, the range of views within the community, including those of industry and employers, and propose the most effective model for the ACT.

RECOMMENDATION 2

4.29 The Committee recommends that the ACT Government commissions a review of careers advisory capacity within all ACT schools with a view to identifying: appropriate benchmarks for advisory services within school communities, the capacity for career relevant activities to be integrated into the curriculum, and the most effective model for achieving engagement between school communities, VET providers and industries.

68 Mr Doyle, Transcript of evidence, 20 March 2007, p. 44
Audit report 2006

4.30 The Auditor-General’s report was tabled in the Legislative Assembly in September 2006. The audit was focused on specific issues related to the administration of VET by the Department of Education and Training, including:

- Training frameworks and funding;
- Proper planning through the assessment of industry and community needs;
- Efficient delivery of training services; and
- Monitoring outcomes of VET services.

4.31 The Audit Office noted the complexity of the VET system, advising that there are multiple stakeholders involved. They also observed that the ACT is a small player in a national system where the Commonwealth sets standards of accreditation for registered training organisations (RTOs) and for the Department, as a component of Commonwealth funding agreements. The audit noted that the funding proportion provided by the ACT government has steadily increased over recent years while the Commonwealth amount has stayed relatively constant.69

4.32 Despite this increase in funding, however, the report noted that the total number of hours delivered remains relatively stable (around 3.7 million).70 In other words, while the costs of delivering VET services have increased, outputs in terms of hours have not. Comparatively, the delivery costs in the ACT are marginally higher than other jurisdictions – around 13 per cent. To some extent, this was understood to reflect a higher level of qualification generally within the ACT, with most VET students seeking Certificate III or Certificate IV level qualifications. The Auditor-General was concerned about the administrative costs despite the Department’s observations that the ACT does not enjoy the same economies of scale as other jurisdictions. Auditor-

69 Audit Report no. 6, p. 11.
70 Audit report no. 6 p. 13
General considers that there would be opportunities to reduce administrative costs in a small jurisdiction.

4.33 The Auditor-General made six recommendations. The Committee took particular note of those recommendations concerned with:

- Achieving a more streamlined planning, coordination and delivery system to target need (recommendations 1 and 2);
- More transparent and robust processes to match training funding priorities to skills shortages. The Auditor-General considered that the allocation is currently directed to generic industry needs, but it is not clear whether this is meeting specific skills needs within the industry (recommendations 5 and 6); and
- Improved consultation, especially with students whose status changes in order to understand their reasons for discontinuing their course or moving to other options (recommendation 4).

**Improving demand-led feedback**

4.34 As discussed in the previous chapter, recent assessments of training systems have highlighted the importance of incorporating feedback from employers and individual users of the system. As the Leitch Review clearly proposed, increasing the “investment” that users of the training services make will improve the capacity of the system to deliver the skills most valued by employers and employees. This is not to suggest that all training is undertaken purely for employment related purposes, but the Committee believes that improved feedback mechanisms have an important role to play in meeting the training needs of the ACT community, especially during this period of significant skills shortages.

4.35 The audit report noted that student satisfaction levels in the ACT have been consistent with other jurisdictions. However, recommendation 4 of the report highlighted some gaps in the data available for monitoring the performance of

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training providers and to monitor the reasons for changes in student status. The Auditor-General noted that national data collection did not allow detailed analysis of the reasons for student movement or withdrawal from training. Appearing before the Committee, the Audit Office explained that they had noted that a lot of the information collected by the Department:

...seemed to be at a very high level—the information that was being used and coming into the department. It was not down to the individual program, or indeed to the individual RTO. From the basis of the stuff that we saw during the course of our audit for the department, it is difficult to put together a picture as to why there were high dropout rates in training in a particular field or why there was not a high take-up.72

4.36 The Department of Education and Training noted and partially agreed to the recommendation but highlighted the difficulty with monitoring student movement. There are three general reasons for student withdrawal:

- the training provided does not meet the student’s expectation;
- the training cannot be continued for personal reasons; or
- an alternative offer is received prior to completion of a training unit. For example, the student is offered employment in an industry where minimal competencies are needed or required.

4.37 The Department monitors user satisfaction at the micro level through the complaints system. However, the Auditor-General indicated that the complaints management system was not sufficiently robust to allow for the tracking of the complaints processes and outcomes.73. The value of this feedback mechanism was limited. The Department largely relied on this mechanism to identify poor performance by RTOs and anticipates that students will choose to move to other providers if they are dissatisfied.

4.38 In the context of skills shortages, a complaints feedback mechanism would be unlikely to yield useful information. Even with a robust system in place, such a mechanism does not establish synergies between supply and demand factors

72 Mr Nicholas, Transcript of evidence, 27 November 2007, p. 2
as have been discussed in other jurisdictions. The Auditor-General also proposed that there should be greater input from industry and students if the skill needs into the future are to be effectively met. The Leitch Review emphasised the view that an effective skills delivery system is one that is ‘responding to demand rather than trying to plan supply.’

4.39 The Committee considered that the findings from the Audit report regarding feedback highlight the structural adaptation required in the provision and monitoring of VET services if skills shortages are to be addressed in the ACT economy. A demand-led approach requires more robust data collection and feedback mechanisms than currently exist, particularly for smaller RTOs.

4.40 The principal provider of VET services seems better placed to achieve the structural adaption required and the Committee notes that the Canberra Institute of Technology adopted a new internal structure to meet ‘the emerging needs in the ACT economy.’ The new structure incorporates 16 operational centres and, according to the Chief Executive:

Each of those centres gives staff a focus on their industry area. Each centre has an industry advisory committee, and they meet regularly to provide advice and ensure that what we are delivering in each of those centres is meeting the specific needs of industry. We have found that gives us a greater focus on meeting industry needs, and it has been very well received by staff. It has taken some settling down. It was a big change organisationally, but we have certainly managed to continue our performance during this year under that new structure.

4.41 The Committee believes that this adaptation, and other initiatives introduced by the CIT, will make a positive contribution to meeting skills demand in the ACT.

4.42 The adaptation undertaken by the major provider reinforces the need to develop the capacity of the system to identify and analyse the training needs and expectations of individual students and employers.

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75 Mr Barr, Select Committee on Estimates 2008-2009 transcript of evidence, 16 May 2008, p. 50
76 Dr Adrian, Select Committee on Estimates 2008-2009 transcript of evidence, 16 May 2008, p. 51
RECOMMENDATION 3

4.43 The Committee recommends that the Department of Education and Training consider improving data collection methods as proposed by the Auditor-General’s Report No. 6 of 2006 to better identify reasons for changes in student enrolment and to better target priority skills shortages.
5 **SKILLS DEVELOPMENT MODELS**

5.1 The Committee notes that much of the discussion regarding skill shortages and the VET system highlights the importance of the relationships between key players in determining the direction of the system. That is, the best training outcomes are generally achieved through the involvement of all key players.

5.2 For instance, the Canberra Business Council responded at one hearing with the comment that:

> If you are asking what the government can do, I think there needs to be a much more robust partnership between education institutions, training institutions, the business sector and government around promoting the range of opportunities that are there, the value of education and training for staff generally, and then working with the business sector to encourage employers to accept the responsibility both to train their own staff and to take on apprentices where appropriate.77

5.3 The difficulty is how to achieve this involvement.

**Skill ecosystems**

5.4 The Committee considers that the “skill ecosystem” model of workforce development being used in some jurisdictions may offer an effective starting point in the development of an industry based model for an integrated “work-training” system. A skill ecosystem, according to John Buchanan, defines ‘clusters of high, intermediate and low levels of competence in particular regions or industries which are shaped by interlocking networks of firms, markets and institutions.’78

5.5 The skill ecosystem model recognises that offering training in specific areas of skills shortage is not always the most effective skills formation strategy. In other words, supply does not always satisfy demand for labour skilled in a

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77 Ms Faulks, *Transcript of evidence*, 27 March 2008, p. 83
78 John Buchanan (2006) *From ‘skill shortage’ to decent work: the role of better skill ecosystems*, NSW Board of Vocational Education and Training, p. 4
particular area. For instance, many individuals train as nurses or childcare workers but subsequently choose not to work in those industries.

5.6 As John Buchanan has noted:

It is important to recognise that coordination failures threaten the sustainability of many extant skill ecosystems. The clearest example comes from the health and community services sectors. Here the preoccupation with fully utilising labour is profoundly damaging the capability of these sectors to retain and develop experienced professional clinical staff. There is no shortage of people with nursing qualifications, but there is a profound shortage of decent jobs.79

5.7 During the course of the Inquiry, the Committee had the opportunity to travel to Queensland, where the skill ecosystem model has been successfully piloted in a number of industries, and heard details of the progress which had been made in the aged care sector using this model.

Case study 1: Aged care skills formation

5.8 The aged care skills formation strategy commenced in 2003 as a part of the national skill ecosystem pilot scheme. The aim of the aged care skills formation project was ‘to improve the way in which the community, residential and acute care sectors recruited, skilled and utilised its workforce across the continuum of care offered by these sectors.’80

5.9 There were several component projects involved in meeting this aim, including, for example, one which examined ‘ways to increase allied health and rehabilitative services while operating within a climate of a shortage of allied health professionals.’81 During this stage of the project, the objective was to define the role of allied health assistants in supporting allied health professionals by gaining agreement from professionals and employers about the exact role and skills required to provide this assistance and identify those tasks that required direct or limited supervision.

79 John Buchanan (2006) From ‘skill shortage’ to decent work: the role of better skill ecosystems, NSW Board of Vocational Education and Training, p. 15

80 Queensland Community Services and Health Industries Training Council Inc. (2006) Queensland Aged Care Skill Ecosystem (supply chain) Project: final report, p. 8

81 Ibid., p. 9
5.10 The project was highly consultative and sought, in large part, to break down many workplace and industry rigidities which hampered the development of quasi-professional career opportunities within this major industry. A key feature was the development of a clear, generic job description which would cover all allied health areas and avoid the potential silo effect of a specialist role. Close liaison with professional bodies has ensured that the generic position would meet the required standards of care. The Committee was also advised that patients express high satisfaction with levels of care they receive as allied health assistants are often less time pressured than busy professionals.

5.11 The articulation of a clear support role for the assistants within the allied health sector has meant that the employers could meet base need for care while at the same time a career path for those employed in this field has been enhanced. To confirm the incentives for employees, a pay increment has been attached to the achievement of a Certificate IV qualification. The qualification can be achieved through on-the-job training and a half-day per week completing workbooks.

5.12 Major challenges identified by the project included:

- Changing an established culture of practice by making the allied health assistant role credible and raising awareness of how this supports exiting allied health roles;
- Dealing with multiple funding models and a funding model which was not necessarily supportive of an Allied-Health assistant role; and
- Responding to the lack of supervision skills in the training provided to allied health professionals.

5.13 Outcomes identified from the project included:

1. Identification of industrial issues impacting on the supply chain and strategies to address these issues
2. Identification of strategies to address the link between the VET sector and the Higher Education sector and the impact of these on the supply chain within the health and aged care industries
3. Identification and piloting of strategies which would enable greater flexibility and skill development in the workforce to meet the needs or a range of service provision both within and across employers
4. Development of innovative models of work organization, job design and skill formation that would enable workers to work within the different service contexts; and
5. Identification of ways that the learnings from this project can be used by the wider industry members, and positive changes can be sustained.82

5.14 The Committee was impressed with this approach to a shortage of allied health professionals which had moved beyond a single focus on recruitment to consider clever and innovative ways to utilise and extend existing resources. At the same time, the opportunities for workers in this field have been enhanced and better defined. Additionally, increased remuneration provides an incentive for continued skills development. An enhancement of the allied health field and possible career pathways has also been achieved through a process that could be identified as demand-led.

5.15 A diverse range of industries have been involved in the skill ecosystem projects, including industries concerned with the environment (water and forestry), racing, defence, health and care services and transport logistics. Kim Windsor has explained that in using the skill ecosystem model:

> Each of the pilot projects worked to develop its own understanding of what this means and the relevance for their project stakeholders. These understandings differ, but have certain features in common: an emphasis on the connections between different aspects of skills development and the industry and workplace context in which skills are applied. This provides the potential for designing skill interventions that are more relevant and effective than conventional VET approaches. For some projects, this was limited to improving visibility and interaction between ecosystem participants such as VET and related industry and research facilities...other projects took a step further, to position training interventions alongside interventions in employment relationships, the design and organisation of work, and the introduction of technology.83

5.16 The Committee considers that the skill ecosystem model provides an effective way of understanding demand-led factors in the workplace and focusing on the relationships between key players that influence the formation of skills, and even the gaps in those relationships which may impede this objective. Much of the evidence presented to the Committee highlights the importance of

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82 Ibid., p. 4
the relationships that support the development of skills.

**Health workforce skills development in the ACT**

5.17 The Committee heard from the Acting ACT Chief Nurse of the strong partnerships between ACT Health and the CIT. The Committee was advised of a number of innovations within the nursing and midwifery profession which have been fully supported by the CIT. The Committee heard that:

The Canberra Institute of Technology was the first institute in Australia, as I understand it, to implement the new HLTO7 or the health preparation program for enrolled nursing. The curriculum was jointly developed between ACT Health and the CIT. So that has been a phenomenal success. Based solely on a request from ACT Health made through my office, the CIT has doubled the number of students in the enrolled nursing program this year—the new diploma program which was developed as a result of the HLTO7.

The CIT is also developing for us some very significant post-enrolment programs to enable the upskilling of our existing enrolled nurse workforce. Again, they have worked with us to ask what our areas of chief concern were, and to run those programs. Much of their work is based on the clinical experts employed by ACT Health. So that has been phenomenally positive and very encouraging and rewarding. It is very good for the professions.84

5.18 ACT Health reported the advantages of strong support from the CIT in responding to training needs in other health related areas, including the allied health field. The Committee was informed that:

CIT has been remarkably responsive in another area as well—allied health assistance, in the development of programs for new workers in the health sector. We currently have programs running in occupational therapy assistance, physiotherapy assistance and speech pathology assistance. We are currently working with CIT to develop programs in nutrition and podiatry assistance as well. So we have gained some considerable benefit from their responsiveness to emerging models of care. We have needed to preserve the skills of our higher level professionals and reserve them for work that is most appropriate and build in the assistant level to work to them.85

5.19 Negotiations with the Australian Nursing Federation were progressing regarding the introduction of assistants in nursing. The development of an additional level within this field provided another entry level opportunity for

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84 Ms Vickerstaff, *Transcript of evidence*, 29 April 2008, p. 96
85 Ms Childs, *Transcript of evidence*, 29 April 2008, p. 97
people wanting to work in the health sector, ‘without perhaps going through a degree program and then finding out that it is not for them.’ The Committee asked about the scope for such innovation in the aged care area and was advised that:

...the move to the direct-care employees and the assistants in nursing program will provide a benefit not just to ACT Health and the acute sector but that there will be a flow-on benefit to the aged care sector as well. Through these programs, which will be accredited programs and certificate-level programs, it would be ideal for the aged care sector to be able to remunerate appropriately so that they do not suffer drift to the acute sector.

5.20 During the Inquiry, the Committee heard from the Chief Executive Officer for AXIS Development, a specialist community services and health training organisation. These industries employ a diverse range of people with variable skill levels. The Committee was advised that:

At this point in time we do not have a problem getting traineeships in community services and health. We have a problem with the completion of those people, mainly because they move on to better paid positions...the ability of the employers to release them for training is a problem. The employers are really good at getting them into training because they want trained, qualified people, but it is all those other issues that impact on the completions, specifically the low wages.

5.21 There is a persistent shortage of people working in these industries and the workforce is predominantly part-time. In order to earn an adequate income in this field, some workers work up to 60 hours per week. The Committee was advised that this ‘is a big issue, particularly in aged care. It seems to be a bigger issue in aged care than in any other area that I have experienced so far.’

5.22 The Committee notes the successes in restructuring the skills profile within nursing and allied health areas through direct negotiation between the major employer and training provider. The Committee would encourage the Government to support this capacity in the aged care sector so that

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86 Ms Childs, Transcript of evidence, 29 April 2008, p. 98
87 Ms Childs, Transcript of evidence, 29 April 2008, p. 98
88 Ms Figueiredo, Transcript of evidence, 27 March 2008, p. 57
89 Ibid., p. 58
innovations commenced in related industries might be considered by this sector. A skill ecosystem model could facilitate this process by ensuring that aged care employers and employees and their representatives might be able to formulate an effective skills development strategy.

**Capital Linen Services**

5.23 The Committee was also informed about the strategy used by Capital Linen Services, which was previously known as Totalcare. Capital Linen Services is an agency within the Department of Territory and Municipal Services. This was described to the Committee as

\[\ldots\text{a real learning organisation. They start from their certificate 2s and train right through to management. Everybody in that organisation is in some form of training and development...There are career pathways. A couple of people have gone from cert 2 and cert 3 to cert 4.}\]

5.24 As the provider of training services, AXIS trainers spend significant time with workers undertaking their training and they observe the strong support provided by the agency’s management. Management support training through the release of people during work time. A mentoring program has been established where the knowledge of those who have completed training in the past can support those who have newly commenced. The agency is adapted to accommodate workers’ family needs, particularly for those undertaking Certificate II training. Those who progress to Certificates III and IV levels often undertake this training in their own time. AXIS identified the level of support provided within the agency as crucial to the success of the trainees. The Committee was told that:

\[\text{It is a really good model, I think, for workplaces—that mentoring support and being family friendly, specifically for people with low literacy backgrounds or non-English speaking backgrounds who are working part time and need to be home for their children. They have had a wonderful success rate; they really have. It is because of that support that is in place.}^{91}\]

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90 Ibid., p.58
91 Ibid., p. 59
Improving skills and retaining staff

5.25 AXIS Development training organisation identified industry wide difficulties in maintaining a skilled workforce despite the good supply of traineeships available. AXIS Development indicated that they have a relatively high trainee retention rate comparable to similar registered training organisations in the field; nonetheless, approximately 20 per cent of trainees do not achieve certification. AXIS Development links employer support to their capacity to retain staff in the industry. The Committee observes that this represents a demand-side factor for which the provision of additional trainee places cannot provide a solution.

5.26 Home Help Service ACT, a community based organisation providing services to frail and aged people in their homes, was describe as another ‘employer of choice’ in this regard. Like Capital Linen Services, the organisation has ‘tried to give their staff things like reasonable wages but also the training, the support and the flexibility so that people want to work there and stay there.’\(^92\) This organisation also offers permanent positions to their employees – a requirement for trainee funding.

5.27 The Committee notes the concerns raised by organisations such as ACTCOSS regarding the upskilling of workers in the community sector. These concerns were noted in both the ACT Skills Commission final report and the ACT Government’s ACT Skills Future paper and initiatives to support this sector have been identified. The situation for the community sector is particularly difficult as they have difficulty in both recruiting staff and supporting staff training. ACTCOSS noted that:

…both workers and organisations have limited financial resources, both the time and financial costs of training remain significant barriers in increasing the acquisition of qualifications among workers. Further, workers are often motivated to pursue a community service career by their own experiences of disadvantage, and require a range of pathways and learning environments to cater for their diverse needs.\(^93\)

5.28 As suggested by AXIS Development, for services sector employers, the

\(^92\) Ibid., p. 63

challenges to recruit and then train staff can best be achieved by providing flexible and supportive work environments. The additional cost associated with supporting workers with diverse educational and other needs to these organisations is a concern.

**RECOMMENDATION 4**

5.29 The Committee recommends that the ACT Government investigate options for funding a skill formation project, like those undertaken as a part of the national skill ecosystem project, in the ACT aged-care and community sectors.

**Group training organisations**

5.30 Group training organisations (GTOs) were first introduced as a model of organised training in Australia in the 1980s. Nation-wide, there are approximately 180 GTOs operating. In the ACT there are 10 GTOs on the national register.

5.31 Group Training Organisations provide security and flexibility to small or micro employers who may be able to make the extended commitment required to see an apprentice or a trainee through to certification. According to Bush and Smith,

> The concept of GTOs (previously known as Group Training Companies) arose from a need expressed by small employers, in the building and automotive industries in particular, who, because of the vagaries of the business environment, found it difficult to commit to fixed four year training contracts. GTOs employ apprentices and trainees and ‘lease’ them to host employers.

5.32 If work levels with one employer change, a GTO can find an alternative place

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for the apprentice and the training contract can be continued. This arrangement can benefit both employer and employee. The employer is relieved of much of the administration associated with employing an apprentice and the employee has certainty in the training contract. There is also additional support provided through being attached to a training focused host agency. Nationally, GTOs employ about 18 per cent of traditional trade apprentices.97

5.33 A national study of GTOs identified the following characteristics of this training model:

- Good completion rates for apprenticeships;
- Developed mechanisms of pastoral care;
- Ability to support different learning needs of apprentices, including literacy and numeracy needs;
- Employment transition support for young people;
- Provision of base level knowledge making apprentices “work ready”;
- Some capacity to promote trade careers within the broader community;
- Development of field staff with specialist youth experience;
- Provision of information about safe working conditions;
- Network connections for apprentices and employers;
- Advocacy on behalf of the community of interest;
- Regional indicators of changes in industry employment trends

5.34 Bush and Smith conclude that:

The significance of the contributions made by Group Training and the provision of structured employment, training and career opportunities for young people, especially males, and to national skills formation, especially in the traditional trades, is of great significance.98


Case study 2: The construction industry

5.35 During the Inquiry, the Committee heard from a number of groups and organisations involved with training in the construction industry, including the ACT Building and Construction Industry Training Fund Authority (the Authority), the Construction Industry Training and Employment Association (CITEA) and the Master Builders Association (MBA) group training organisation.

5.36 The Authority administers a fund on behalf of the construction industry which provides incentive payments to support the training of apprentices. Over the last five years, the Authority has funded 231 apprentices through the provision of approximately $800,000 in funding.99 The apprentices have been from:

...nine different skill trade shortages: bricklaying, cabinet making, painting and decorating, plastering, sign writing, wall and floor tiling, glazing, air conditioning and refrigeration, and horticulture.100

5.37 The funding priorities are determined through consultation with the construction industry. The Authority funds a number of field officers who provide support to apprentices and intervene when difficulties arise in any of the relationships between training organisations, employers and apprentices.

5.38 CITEA, which is one of the largest GTOs in the ACT, is also an RTO providing on-site training for apprentices in the carpentry, bricklaying and painting trades.101 The organisation also employs other apprentices, such as plumbers, plasterers and roof tilers, who undertake their training with the CIT. Approximately half of the construction industry apprentices in the ACT are employed by GTOs.102 CITEA enjoys good retention rates of ‘around the 85 per cent mark and can go higher’ compared to ‘a bit over 50 or something in the construction industry’.103

5.39 The Committee also heard from the MBA which has ‘in the vicinity of 300

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99 Mr Service, Transcript of evidence, 8 July 2008, p. 120
100 Mr Service, Transcript of evidence, 8 July 2008, p. 120
101 Mr Wallett, Transcript of evidence, 20 March 2008, p. 35
102 Mr Wallett, Transcript of evidence, 20 March 2008, p. 38
103 Ibid, p. 36
apprentices doing school-based programs and full-scale apprenticeships in the traditional trades, principally bricklaying and carpentry.'104 The MBA also provides paraprofessional training for project managers in the industry.

5.40 Both organisations report strong growth potential in their training capacity. MBA indicated that they could ‘probably double the number of apprentices that we have at the moment’105 but noted that the problem in the construction industry is much more complicated than that solution allows. For instance, while they have a waiting list of young people willing to take on carpentry or bricklaying apprenticeships, areas such as painting, tiling and plastering are not popular options. In some of these (wet) trade areas, there are:

...people working out on site who have never formally undertaken an apprenticeship. In some cases they are second generation, because the people that taught them how to tile, grout, plaster and carry out some of those other roles have never been in an apprenticeship either.106

5.41 The Authority also advised the Committee that the retention rate in the industry overall is fairly high with high wages providing a strong incentive for tradespeople to continue in the construction field.107

5.42 However, with these strong economic conditions, an additional problem arises with the placement of apprentices. There is a high unmet demand for employers willing to host placements.

Host employer shortages

5.43 Employers can be unwilling to take on the supervision role for a number of reasons. Busy construction phases impinge on the time that tradespeople are willing to forego in supporting an apprentice. During this time tradespeople are likely to be experiencing premium rates for their work and enjoying the certainty of having six months work booked in advance. There is also the distraction of supervising an apprentice who has no previous experience or knowledge of the industry or with the equipment and techniques used on the job.

104 Mr Daly, Transcript of evidence, 27 March 2008, p. 72
105 Mr Daly, Transcript of evidence, 27 March 2008, p.78
106 Mr Daly, Transcript of evidence, 27 March 2008, p.78
107 Mr Service, Transcript of evidence, 8 July 2008, p. 123
5.44 CITEA identified challenges for the organisation in attracting apprentices but also challenges in finding sufficient numbers of host employers for on-the-job training. The Chief Executive Officer informed the Committee that:

...attracting suitable host employers to give those apprentices the on-the-job training that they need each year, is always a challenge for us, remembering that the training part of it is about six weeks a year or so. Taking away holidays, that means that an apprentice really needs to spend, in round figures, about 42 weeks of the year actually gaining on-the-job experience. In many ways, the RTO component of our business is the easy one; the actual training is easy.108

5.45 This view was echoed by the MBA noting that:

...the greatest shortage, that we have in terms of training apprentices—and you will begin to see how circular the whole argument becomes—is host employers. In other words, it is a willingness by employers to take on people to provide them with the on-site training that they need alongside of the theory training that they receive in the off-site situation with master builders. That is one of the areas where there is the most acute shortage.109

5.46 The Authority observed that many of the contractors working in the industry are from interstate and do not employ apprentices. They consider that there is an opportunity for interstate contractors to make use of local group training organisations for the duration of their contract. Whether this should be a requirement in the conditions of contract for major public works (as is the case in Tasmania) or whether other specific incentives should be established.110

5.47 The construction industry faces a difficult dilemma in meeting the shortage of skilled labour. That there is capacity within the system to train more apprentices but there are other limitations. Using a GTO model provides the industry with flexibility, but this model is difficult to sustain if there is a down-turn in work across the industry. As CITEA noted, the apprentice must still be paid regardless of the cycles within the building and construction industry.111

5.48 During the current boom construction period, the industry has not taken the opportunity to develop the skills base for the future. There are a number of

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108 Mr Wallett, Transcript of evidence, 20 March 2008, p. 35  
109 Mr Daly, Transcript of evidence, 27 Marcy 2008, p. 76  
110 Mr Guy and Mr Service, Transcript of evidence, 8 July 2008, p. 125  
111 Mr Wallett, Transcript of evidence, 20 March 2008, p. 40
possible options for government, including:

- Provide more incentives for the hiring of apprentices; or
- Establish requirements for minimum participation rates of apprentices for significant public projects.

5.49 The MBA sees the solution to the shortage of willing employers in strengthening their involvement in the training component of the process while at the same time minimising administrative obligations. Recognising the gap in employers capacity to take on apprentices, the MBA had adopted the approach of working:

...with some of the potential employers that we have—and these are people who perhaps recently finished apprenticeships themselves through master builders, who moved to becoming a subcontractor in the first instance and then a contractor—to teach them how to practise and to carry out their finances other than on the dashboard of their vehicle. We want to provide them with small business skills. We run a group scheme. So functionally all they have to do is take the invoice with one hand and pay with their EFTPOS or credit card with the other hand. We want to minimise the administrative load and we want to work with them in terms of their overall business needs so that they can have more time to fulfil the other roles that are necessary.\(^\text{112}\)

5.50 The Committee believes that industry led options such as this should be encouraged.

**RECOMMENDATION 5**

5.51 The Committee recommends that the ACT Government resource a construction industry training development project to identify and implement an industry-led solution to the shortage of employer placements for apprentices within the building and construction trades.

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\(^{112}\) Mr Daly, *Transcript of evidence*, 27 March 2008, p. 76
6 THE APPEAL OF SKILLS TRAINING

6.1 A theme that was repeated throughout this Inquiry has been the importance of demand-led approaches to addressing skills shortages. The VET system has proved to be relatively effective at providing a supply of skills. However, there have been concerns raised about the capacity of the system to respond to the demand for skills. A demand-led approach has been advocated to improve the input of VET service users and stakeholders.

6.2 The Committee believes that general awareness of the significant role that skills acquisition plays in modern economies could be raised. As well as VET providers, individuals and industries need to be familiar with the interconnections between skills development and skilled work. The Committee has considered the level of public awareness of these issues against perceptions of:

- “Wastage” in the system;
- Early awareness of career options; and
- Recognition of prior learning.

“Wastage” in the system

6.3 As a concept, wastage in the VET system describes those training hours that are funded but do not deliver tangible productivity outcomes to the economy by providing skilled labour. Wastage can occur because apprenticeships and/or traineeships are commenced but not completed. For instance, there is a recognised disparity between the numbers of people who commence and even complete training in areas such as child-care services and those who find employment in this industry on an ongoing basis. Clearly, this will complicate the skills shortages experienced in some industries and the possible solutions.

6.4 Wastage could also be problematic if it involves a deterioration or collapse of the contractual relationship established in apprenticeships. Historically, the apprenticeship system has been considered to deliver quality training outcomes and the employment/skills transfer relationship is taken seriously
within industries.

6.5 The Committee has already raised the concern detailed by the Auditor-General regarding feedback mechanisms to monitor the reasons for changes in student status (see chapter 4).

6.6 According to NCVER data, completion rates for apprenticeships have declined nationally since 1995 from 71 to 60 per cent while completion rates for training have increased dramatically. However, the authors of the NCVER report suggested that it is likely that completion rates reflect labour market mobility patterns. High labour demand may reduce completions rates because the need for formal qualifications is diminished. During the Inquiry, the Committee heard that wages and conditions in the public sector, or with some large retail chains, can be a drain on the private industry workforce.

6.7 However, there is likely to be a reverse trade-off between training and wages for the individual over a working life, as formal qualifications improve overall wage earning capacity.

6.8 The Committee heard from the MBA that these statistics can be misleading as:

...when somebody terminates a training agreement, even if they are just changing the RTO that they are attending for training, such as moving from CIT to Master Builders or Master Builders to CITEA, that is treated as a termination. Statistically, that is captured, and that is what you are seeing in those completion rates in terms of the NCVER figures that you are probably basing that on.

6.9 The Committee is aware that a significant “loss” of training hours occurs in relation to school related traineeships and apprenticeships. Wastage also includes the commencement of lower-level qualifications, often at the school level, without completion or without entry into the relevant industry workforce.

6.10 A 2005 NCVER report on this issue indicated relatively low rates of projected completion for school based VET courses. According to the analysis:

Young people’s rates of completing courses at certificate levels I and II are

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114 Mr Daly, Transcript of evidence, 27 March 2008, p. 78
relatively low. It has been projected that about 33% who enrolled at certificate I level complete a course with 43% at certificate II level.\textsuperscript{115}

6.11 There may be broader factors involved in high rates of discontinuation with no recorded achievement, however. The report noted the need to improve induction processes and the general support provided to “at risk” students.\textsuperscript{116}

6.12 During the Inquiry, the Committee heard that the CIT Vocational College has provided a flexible response to those at risk of non-completion by allowing students of any age the opportunity to improve basic educational achievement (including years 10 to 12 qualifications) while commencing vocational training.\textsuperscript{117}

6.13 While wastage in school VET programs can highlight the need for this sort of additional support for students, the Committee considers that there may be additional benefits accrued from school-based VET other than a direct link between training and specific skills acquisition. A Department of Education and Training survey has confirmed the value of VET programs for school students and the economy in less direct ways. Of those students who completed a VET course at school:

Over nine in 10 (96.1\%) students who undertook a VET course at school reported that they were employed or studying in 2007 compared to 92.0\% for those students who did not. In addition, 87.2\% of students that undertook a VET course were employed compared to 78.2\% of students that did not undertake a VET course at school.\textsuperscript{118}

6.14 School-based VET experience can have a clear value to students’ employment prospects but the Committee acknowledges that more effective support (or induction) could be provided for young people in determining career-oriented training choices. This reinforces the need to support young people to make

\begin{itemize}
  \item \textsuperscript{116} Victor Callan (2005) Why do students leave? Leaving vocational education and training with no recorded achievement, NCVER
  \item \textsuperscript{117} Mr Barr, Dr Adrian and Ms O’Hara Transcript of evidence, 8 July 2008, pp. 129-130
\end{itemize}
effective VET choices.

6.15 Nonetheless, the Committee believes that a less tangible value of VET may accrue to students, and subsequently to the community. The participation and inclusion of school-aged students in formal practical skills development and familiarity with the vocational education system is of long-term value to the community.

**Early awareness of career options**

6.16 The Committee considers that while skills have become a priority issue in the public debate because they are in short supply in some areas of the workforce, skills acquisition should also be understood as a life-long activity for individuals in the modern workforce.

6.17 During the Inquiry, the Committee heard suggestions about the early skills development choices individuals make and some of the assistance that is available to individuals making these choices. The Committee has already recommended that more consideration be given to the careers advice provided within the education system (recommendation 2).

6.18 The Committee also heard that the increased capacity within the schools system to undertake VET courses has had a positive effect on the awareness of alternative career pathways. The Chief Executive of the Canberra Business Council commented that:

> It used to be the case that you had to choose at a very young age whether you were going to go on or whether you were going to stay, and a lot of parents I think encouraged their children to stay on, in the hope that they might get to university, but at least they would be a bit more mature when they left school. I think that now the VET in schools offers that alternative path. It has been very successful.119

6.19 The Committee was also advised that the career choices that young people now make are framed by different expectations. The Chief Executive of the ACT Chamber of Business and Commerce noted that “Generation Y” (as that generation who are now entering the workforce are sometimes called) perceive

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119 Ms Faulks, *Transcript of evidence*, 27 March 2008, p. 79
VOCATIONAL EDUCATION AND TRAINING TO ADDRESS SKILLS SHORTAGES

that:

…four years is literally a lifetime. Getting someone to commit to a four-year trade is something that is beyond their understanding; why would they want to do that? Secondly, in their working lifetime, they are expected to have seven separate careers. I do not mean seven separate jobs; I mean seven totally separate careers. Generation Next, which is the young people now at school, are expected to have 13 separate careers.120

6.20 One response to these changing expectations has been to introduce fast-tracked apprenticeships which the CIT have successfully modelled with the accelerated chefs program. The Committee understands that this model has been noted by the Commonwealth Government and funding has been provided to assess the feasibility of accelerated programs for panel beating, spray painting and hairdressing.121

Promoting the appeal of skills training

6.21 The Committee believes that providing skills development information from an early age is another strategy that could be further developed. The object of this strategy would be to raise awareness within the community about the importance of skills acquisition across the life span and to establish early familiarity with the many skills development opportunities available.

6.22 During the Inquiry, the Committee heard of a number of programs that are succeeding in this effort. Some of these programs have already been mentioned in this report. Links between schooling and training pathways are also being developed by the taster programs which provide opportunities for young people to experience a trade or vocational career first hand. Opportunities described included the:

…“brick and block” taster programs. They are one-week programs in bricklaying for kids. That is funded nationally through the Brick and Block Training Foundation. The other one that we hope to launch this year is a new one in civil contracting. Once again, that is for year 10. We are doing some work with the mining industry on that. That is very interesting. We have also engaged with all of our civil contractors here to be participants in it.122

120 Mr Peters, Transcript of evidence, 13 May 2008, p. 111
121 Dr Adrian, Transcript of evidence, 8 July 2008, p. 132
122 Mr Ball, Transcript of evidence, 29 April 2008, p. 92
6.23 Other taster programs are provided by CIT and HIA for Years 7 and 8. The Committee was advised that between February and June 2008, nearly 1000 students from Lanyon, Calwell, Wanniassa and Caroline Chisholm High Schools were invited to participate in the program. The CIT taster programs are partly funded by the ACT Building and Construction Industry Training Fund Authority. According to the CIT:

Part of the intent of programs like that is—and they are called taster programs—to attract people’s thinking to a breadth of career opportunities because there is a lot of research that indicates that people are making decisions quite young, with their parents and in whatever environment they are able to experience. So it is creating an experience for them. It is only one day a week at this point. Remember that, with the schools’ curriculum, there are a lot of things that schools are trying to fit in and achieve with the young people. I think it is giving them an experience. It is quite positive. Quite often, if you start with the formal curriculum and training package, you have got to do things like OH&S, communication. That is probably not the students’ priority when they are young. These are real, practical, hands-on, taster programs.123

6.24 The Construction Industry Training Council (CITC) has played a significant role in extending the awareness of the building and construction industry career options within schools. The Executive Director of CITC highlighted for the Committee the strategic importance of connecting with schools.

6.25 These programs included the at-risk program which has been successfully running for seven years. This program, initiated by the CIT, supports young people who are at risk of not completing Year 10 and places them with major contractors where they can learn trade skills. This is an engagement strategy which provides young people who are not connected to the school curriculum with an alternative focus and possible training pathway. This strategy has also established a connection between industry and the school system.

6.26 Over the last three years, CITC has engaged some ACT high schools to raise the awareness of students about careers in the construction and building industry. The Council considers that:

We also currently have, and have had for the last three years, record numbers of apprentices and we believe that has occurred because of the number of

123 Ms O’Hara, Transcript of evidence, 8 July 2008, p. 128
strategies that we supported industry in...particularly going back to high schools.124

6.27 This engagement initiative has been extended to three primary schools. The Committee had the opportunity to visit one of these schools - Latham Primary School.

Latham Primary School

6.28 The construction and building industry program is undertaken by Years 5 and 6 students as a major project which focuses on an aspect of the building and construction industry. In 2008, the focus was on occupations in the construction industry and many of the projects detailed the work of electricians, painters, bricklayers and architects. Students research, refine, prepare and present their project over a five week period. Each student presents their findings to all sixty Years 5 and 6 students at the school with a prize for the best project. In 2008, the prize was presented by Senator Kate Lundy who discussed her career with the students as a way of illustrating how work in the construction industry can take you along a broad range of career paths (even to the Australian Senate).

6.29 An important component of the program is to include parents and carers within the scope of the activity. Parents and carers are informed about the project with a take home letter and the project is undertaken both during school time and as a part of the students’ homework requirements. Parents are engaged through this process and in some cases relatives who have been engaged in the construction industry become the subject of the project. For instance, some relatives of students were involved in the construction of the National Library building and new Parliament House and these students were able to focused on this family connection in their projects. Other students have interviewed site managers or researched specific engineering design features (for example, the construction of windows). The project is linked with the curriculum at central learning achievement 25: the student designs, makes and appraises using technology.

124 Mr Ball, Transcript of evidence, 29 April 2008, p. 89
6.30 In the future, the school will consider the use of specialist software and websites to enhance the skills development aspect of the project. This may include software to assist students to learn measuring skills for industry related objectives or interactive websites which allows students to undertake a virtual construction project. The Principal of the school believes that the construction and building industry project framework could be used anywhere if it were tailored to suit the interests of the particular school community.

6.31 The Principal advised the Committee that exposing the children and families to the industry has made a difference to the awareness and enthusiasm about work options available in the industry. It has also enhanced children’s awareness about the work of their family members. In a number of cases children had not been aware of their parents’ construction related work. Participation in the project gave them the opportunity to learn about aspects of their parents’ work life. In general, the Principal reported that the school experienced a great deal of support from the broader school community for the project.

Engaging family support

6.32 The Committee was particularly impressed by the capacity of school based program to incorporate the interest, experience and expertise of families. Students better understood work options in the industry and the awareness of parents and carers of the various career opportunities within that industry were raised. The affirmation of different career options relies on parental advice as much as the availability of training placements.

6.33 At one hearing, the Manager of the Student to Industry Program told the Committee:

I would say that they [parents] tend to think of career as a singular career as opposed to multiple careers. They also seem to have a belief that it is the school’s responsibility to impart that knowledge to the student.

We reflect to parents that in primary school they are virtually always in the school with the son or daughter, but in high school very, very few parents engage, and at college they barely know which college they go to and what subjects they do…In fact, that is the time that the school teachers—and I think they do a fantastic job—and the careers advisers need the support of parents to be with them on the journey. It is a pretty good journey. It is a ripe environment
for young people. But what we want to do is to get them to make better choices.125

6.34 The Canberra Business Council agreed that parental influence is critical and that the perception that a university education delivers preferable outcomes is difficult to shift:

…particularly in a population like that of Canberra, where the parent population is above average in terms of education. For some time, a huge amount of effort has gone into the 30 per cent of our students who end up in university as opposed to the 70 per cent who do not.126

6.35 A similar view was offered by Menslink, a community organisation involved in mentoring and other support services for young men. Menslink recommended ‘a high level of valuing of trade pathways in mainstream schools’ and cited their Project Oriented School Mentoring (POSM) program to illustrate. Such programs can offer a non-academic opportunity to ‘contribute and experience success in the school environment.’127 The POSM program provides an early interactive experience for boys by

…creating alternative early pathways of acknowledgement, transition, and opportunity for boys at risk. Using an early identification/strength base approach (project based mentoring), we invite boys to contribute to their school environment (for example, by building a garden) and stimulate a process that leads to greater inclusion, ownership and reflective learning.128

6.36 While the Committee does not have a view about the appropriate balance between academic and other learning paths within the school system, it considers the need to improve community perceptions of the various pathways to be crucial.

6.37 Throughout the Inquiry, the Committee heard of the need to enhance the appeal of apprenticeships and traineeships as career options to counter general community perception about the value of VET-based career pathways when compared to the academic achievement required for university entry. To those engaged with this sector, this is largely a matter of raising the awareness of

125 Mr Doyle, Transcript of evidence, 20 March 2008, p. 44
126 Ms Faulks, Transcript of evidence, 27 March 2008, p. 79
127 Menslinks, Submission no. 2, p. 1
parents:

I am yet to find one parent who when we lay the facts in front of them is not extremely supportive of the notion of their student going on and having a successful career, whatever that means. But, without the conversation, the natural point at which a parent believes they are advocating for their son or daughter is to go to university…I still do not think that parents are aware of all the options and how things like the Australian quality training framework engages people at many different entry points to achieve a meaningful outcome.129

RECOMMENDATION 6

6.38 The Committee recommends that the Department of Education and Training ensure that all primary schools can access programs and other curriculum support resources that would enhance student knowledge and awareness of apprenticeship or traineeship related career pathways.

RECOMMENDATION 7

6.39 The Committee recommends that the Department of Education and Training provide resource and coordination support to all schools to extend awareness within the school community of apprenticeship or traineeship pathways.

Recognition of prior learning

6.40 During the Inquiry, the Committee also heard about efforts to extend the capacity for recognition of prior learning (RPL) within the ACT. RPL is a process whereby people are provided with an opportunity to have the skills and knowledge they have developed outside the formal education system assessed and valued against national qualifications frameworks. This approach is seen as an effective way to address skills shortages by ‘encouraging people to top up existing skills sets by having skills that they have not developed through formal training recognised.’130

129 Mr Doyle, Transcript of evidence, 20 March 2008, p. 44
130 Dr Blom, Transcript of evidence, 8 July 2008, p. 145
6.41 RPL is also considered to be an effective and efficient way of bringing people into the VET system. The Committee heard that the resources for RPL processes within the ACT college sector had been extended with additional staff provided to ‘work with students so that we can increase the number of students who are drawing on their prior experience and using that to contribute to the acquisition of Certificates further down the line.’

6.42 The RPL process was also considered to be valuable in the building and construction industry. The MBA informed the Committee that:

That is something that we have moved to develop in significant ways because it is becoming a substantial business ticket item. That is, where we have people who may be changing careers or who have for a long time carried out a role without formal qualifications, because there have not been formal qualifications or they have never gone to university and have been project managers et cetera, we are now using the RPL as a means to formally qualify those people by putting them through an interview where they portfolio and they present evidence that they can meet and attain the competencies.

The extrapolation of that, of course, is that, once we have tried and tested the methodology that we are using at the moment, we are going to be in a place where we can quickly do that for people coming in from overseas. Obviously, we work very closely with the Accreditation and Registration Council to pursue that.

6.43 In some industry areas there are particular difficulties regarding the recognition of skills from other jurisdictions. For instance, the nursing profession is highly regulated and the standards of training are rigorously checked by the ACT Nursing and Midwifery Board. A candidate who meets educational, English language and health criteria will be granted a provisional registration and the opportunity to commence 12 weeks of supervised practice (usually at The Canberra Hospital, which is a registered training organisation) before full accreditation. The Committee was advised that:

We actually do not get all that many applications in this category. Those that we get we vet very carefully because for us they are very labour intensive.

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132 Ms Harris, Transcript of evidence, 8 July 2008, p. 145
133 Mr Daly, Transcript of evidence, 27 March 2008, p. 74
134 Ms Vickerstaff, Transcript of evidence, 29 April 2008, p. 102
RPL to meet skills needs

6.44 The Committee considers that RPL can improve the skills development capacity of the existing workforce and can increase the opportunities for workers to enhance their career options. RPL methodology also highlights the composition of skills sets and allows profiling of skills requirements within the workforce.

6.45 Some movement towards a “skills profiling” framework rather than a strict, defined qualification approach are evident in current practice. The skill ecosystem approach fits within this sort of adaptive model which allows collaboration between organisations with similar skills profile needs to establish an appropriate training response to identified skills shortages. The Committee anticipates that some adaptation within the training system is required but notes that flexible VET provision can readily adapt to this need.

6.46 Furthermore, individual employers may be able to satisfy their skills requirements by targeted investment in their existing workers. Skills profiling can be used at the organisational level to identify skills gaps (by profiling a sample of employees’ skills and comparing against organisational skills needs). It is also a useful way to support effective transitions of workers from declining industries. In this latter case, competency based job descriptions allow matching to a new industry area. The transition can be case-managed at an individual and an organisational level.

6.47 The Committee notes that changes in the RPL area are at the forefront of VET provision. The Department of Education and Training advised the Committee that:

We are working on a project at the moment which is jointly funded by the commonwealth which is seeking to increase the levels of RPL in the territory. It is something that we are pursuing. We encourage all of our RTOs to pursue it as well, and to offer recognition to make sure that learners who approach them with a view to undertaking some training are made fully aware of their rights to access recognition of prior learning, which is one of the great advantages of the vocational education and training system.  

135 Dr Blom, Transcript of evidence, 8 July 2008, p. 145
6.48 The Committee agrees that the VET system is well placed to meet the skills training requirements of the ACT and would encourage all potential users of the system to invest extensively in the skills development opportunities available.

Ms Mary Porter AM MLA

Chair

19 August 2008
APPENDIX A: Submissions, witnesses and visits

Submissions received

The following submissions were received and can be viewed on the Legislative Assembly website\textsuperscript{136}:

- Jennifer Pang
- Menslink
- ACT Government
- Australian Education Union – ACT Branch
- National Institute of Accountants

Witnesses appearing

The following hearings\textsuperscript{137} were held and witnesses who appeared are listed below.

27 November 2007

- Ms Tu Pham, Auditor-General
- Mr Rod Nicholas, Director, Performance Audits and Corporate Services
  ACT Audit Office
- Mr Derek Volker AO, Chair, ACT Skills Commission
- Mr Ian Cox, Director, Business and Industry Development, Chief
  Minister’s Department

20 March 2008

- Mr Clive Haggar, Secretary, Australian Education Union
- Mr Michael Fitzgerald, Organiser, Australian Education Union


\textsuperscript{137} Transcripts from the hearings can be accessed via the Legislative Assembly website
• Mr Barry Wallett, CEO, Construction Industry Training and Employment Association (CITEA) & Construction Industry Skills Centre (CISC)
• Mr Mick Doyle, Manager, Student to Industry Programme
• Dr Peter McGregor, Research School of Astronomy & Astrophysics, ANU

27 March 2008
• Ms Sharon Carter Figueiredo, Chief Executive Officer, Axis Development Inc
• Ms Justine McDonald, Account Manager- Canberra Office, Australian Training Company
• Mr Chris Faulks, Chief Executive Officer, Canberra Business Council
• Mr Grant Daly (Director, Education & Training, Master Builders’ Assoc. ACT) Kindred Organisation member of the Canberra Business Council.

29 April 2008
• Mr Vince Ball, Executive Director, Construction Industry Training Council (CITC)
• Ms Joy Vickerstaff, Acting ACT Chief Nurse
• Ms Judi Childs, Executive Director, Human Resource Management Branch, ACT Health.

13 May 2008
• Mr Christopher Peter AM, Chief Executive, ACT & Region Chamber of Commerce and Industry

8 July 2008
• Mr Andrew Barr MLA, Minister for Education and Training
• Mr James Service, Chairman Building and Construction Industry Training Fund Authority
• Mr Gary Guy, Chief Executive Officer, Building and Construction Industry Training Fund Authority
• Dr Colin Adrian, Chief Executive, Canberra Institute of Technology
• Ms Kaye O’Hara, Deputy Chief Executive, Academic, Canberra Institute of Technology
• Dr Kaaren Blom, Acting Director, Training and Tertiary Education, Department of Education and Training
• Ms Carol Harris, Director Schools Southern Canberra, Department of Education and Training
• Mr Tim McNevin, Manager, Transition, Careers and Vocational Learning, Training and Tertiary Education, Department of Education and Training
• Mr Ken Jorgensen, Member Accreditation and Registration Council

Visits

The Committee visited the following organisations during the Inquiry:

22 May 2007

**Queensland Health and Community Services Workforce Council**

• Ms Carolyn Ovens, Senior Project Officer, Skills Formation Strategies and Communities VET Partnerships, Health & Community Services Workforce Council
• Ms Tracy Worrall, Project Consultant, Health & Community Services Workforce Council
• Ms Alisa Hall, Blue Care
• Ms Jane Clarke, St Andrews Memorial Hospital

24 June 2008

**Latham Primary School**

• Ms Melissa Travers, Principal
• Mr Wayne Chandler, Director of Northside Schools, Department of Education and Training.