

VET and TAFE

AUSTRALIAN DEMOCRATS ACTION PLAN VOCATIONAL EDUCATION AND TRAINING EDUCATION

The Government's own Intergenerational Report and the message from industry is that there is a crisis in skilled employment and this will impact on future industry investment, taxation revenue and funding for future services. The opportunities and challenges of the global knowledge economy mean that our future no longer depends on minerals, sheep or wheat but on the creativity, ingenuity, initiative, ideas and the skills of all Australians.

Against this backdrop, Australia is facing a chronic skills shortage in the traditional occupations primarily at the trade and post-trade levels. Australia should be aiming for 2 years of post-school training for all its citizens – adults as well as school leavers. Currently, 50% of the workforce does not hold post-school qualifications and yet only 13% of the available jobs are suitable for these workers. By 2016 it is estimated there will be a shortfall of 240,000 people with vocational education and training qualifications. This means that one in seven jobs requiring vocational education and training qualifications will be either unfilled or filled with an inappropriately skilled person.

Our Action Plan

- Establish a Further Education Commission to conduct a review of Australia's current and future vocational education and training needs and evaluate the success of various options.
- Incorporate the currently proposed 28 senior 'Australian Technical Colleges', into a national network of vocational training schools, transferred to and integrated with existing secondary school and TAFE systems, funded jointly by states and Commonwealth governments.
- At least double the number of students provided with the ATC option making it available to students in most regions, including those with Indigenous populations.
- Reform funding models for VET in schools to:
 - ensure fees and charges are not a barrier to student participation;
 - encourage links with industry and assist the transition between school and employment and further education;
 - encourage combined school and apprenticeship training with options for simultaneous progression to diplomas; and,
 - provide career counsellors with accurate, up to date advice about the technical sophistication, challenges and career opportunities in industry.

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- Encourage small business involvement in VET by supporting small business training facilitators and developing training products designed to specifically meet the needs of small business.
- Prioritise TAFE as the 'first choice' provider of vocational education and training.
- Increase the level of funding for the TAFE system to a level at least equal to 1996 level indexed for the past 10 years, with an absolute minimum of 5% annual growth funding in real terms.
- Provide one-off payments to institutes to upgrade infrastructure and technology to ensure the best and latest training equipment.
- Support better sharing of infrastructure, especially in regions, by public institutions and business.
- Support the establishment of a greater range of graduate certificates and diplomas in VET institutes.
- Expand career counselling and vocational advice in secondary schools and VET institutes.
- Expand pre-vocational programmes and give young people a chance to try different trades through a 'Try and Trade' program.
- Establish nationally consistent fees and charges for VET courses with pricing controls.
- Significantly reduce fees and extend student income support with additional allowances for travel, accommodation and course costs particularly for apprenticeship and ATC students.
- Undertake a comprehensive review of traineeships and their appropriateness for building a high value-add, innovative economy.
- Fund a national professional institute to support the VET/TAFE teaching profession.
- Require that at least 80% of content is delivered by permanent, professional, accredited teachers in both public and private VET providers.
- Support professional development for VET/TAFE teachers so they have up to date industry experience and teaching competencies and qualifications.
- Implement strategies to enable tradespeople to use their skills in an off-the-job training capacity.
- Identify and resource a lead institute to champion the development of culturally appropriate VET/TAFE teaching materials and VET/TAFE teacher training for indigenous people.
- Improve training and re-training strategies for older workers and people with disabilities.
- Put on hold 'user choice' in the delivery of VET courses until there has been a proper review and evaluation of this private provider policy.

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- Address current take-up and drop out rate of new apprentices by:
 - rewarding quality and successful completion and providing student support;
 - recognising different learning rates and students' needs; and
 - improving apprenticeship wages, including for older people.

The Issues

In 2005 the Government abolished the Australian National Training Authority which was responsible for advising the Government on training. More than 1.68 million Australians enrol in publicly funded vocational education but the Federal Government's contribution to vocational training funding has fallen by 23.8% under the Howard Government. And it favours direct payments to apprenticeships (a small percentage of the students in the VET/TAFE system), employer incentives and private providers such as the Australian Technical Colleges which duplicate the existing TAFE structures, rather than providing much needed funds to the struggling TAFE system. It has been estimated that for every dollar invested in TAFE, TAFE returns benefits worth \$6.40.

TAFE and VET Funding

Since the Howard Government was elected, although VET enrolments have grown by 13.3%, roughly 300,000 young people have missed out on a TAFE place. The Coalition cut TAFE funding by \$250 million across 1996 and 1997 and then froze it from 1998 to 2000. In real terms aggregate Commonwealth funding for VET decreased by 8% from 1997 to 2004. The funding per training hour fell in real terms by 24% between 1997 and 2004. VET receives less federal funding than any other education sector.

This has meant larger class sizes, fewer TAFE courses, cuts to students services, more precarious employment for TAFE staff with increased workloads and stress and increases in student fees. In 2005, students paid \$235.4 million in fees and charges

The Government has directed funding towards private providers and user choice through the establishment of its network of Australian Technical Colleges and the use of apprenticeship initiatives and incentives such as vouchers. These are inefficient, piecemeal approaches that do little to provide high quality VET.

Australian Technical Colleges

During the 2004 election the Howard Government announced 25 colleges to provide school based apprenticeships for 7,500 students and in the 2007 budget it announced 3 more. But by the end of 2006 only 5 were up and running. Not one student has graduated from its duplicate system designed to undermine the State-operated TAFE system. Enrolments are below capacity and 2/3 of the colleges outsource their training to TAFE or private providers. Reports have suggested that colleges are costing on average \$25 000 for each student per year, at least double the \$9500 to \$12 000 spent training other technical students.



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On top of the \$344 million originally allocated to these colleges and the \$83 million allocated for the 3 extra colleges in the 2007 budget, the Government has had to ask for \$112 million more because of costs blow outs. They have also spent \$20 million advertising the ATCs. That money could have trained thousands more apprentices. This was a quick political fix that undermines TAFE, duplicates its infrastructure and wastes taxpayers money.

Apprenticeships

The Government's apprenticeship scheme has not delivered. Take-up rates in all occupations are not keeping up with demand and the non-completion of apprenticeships is unacceptably high. Only 33% of people enrolled in a certificate I qualification and 43% of people enrolled in a certificate II qualification complete their courses. In 2005 almost 130 000 apprentices and trainees cancelled or withdrew from their courses.

Apprenticeship wages are low and reports suggest that in some cases incentive payments to employers have been used to provide cheap labour while the young people have not been provided with the skills they need for future employment.

Small Business

Small business employs 3.6 million people in Australia, yet only 33% of them provide structured training to their employees. Many small businesses find existing VET too inflexible in terms of the hours of availability for training, location and cost, as well as a lack of relevance to their needs.

VET Workforce

As the population ages, the VET/TAFE sector will face significant workforce challenges with fewer qualified staff available to replace retiring teaching staff. The TAFE teaching workforce¹ is one of the most casualised education sector workforces, and has higher levels of casual employment than many other sectors of the Australian community. More than 50% of teaching nationally is conducted by casually employed teachers.

Young People

Although overall unemployment has plunged to its lowest level in 32 years, youth joblessness remains unacceptably high. Even though it has declined in recent years, unemployment is still about four times higher for 15-19-year-olds than among those aged 25 and above and twice as high for 20-24 year-olds than the older group. There are about 330,000 young Australians either unemployed, underemployed, or not in the labour force but wanting jobs; that is, 14.3% of all 15-19-year-olds and 6.7% of all 20-24-year-olds. .

There is an urgent need to engage these young people in training to obtain work skills that will allow them to enter the workforce. The cost of doing otherwise, in terms of welfare payments, lower tax revenue, higher health costs and higher crime rates, will be much greater well into the future.



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