

## Real Skills - Real Jobs

### Vocational Education and Training

1. Congress re-affirms its support for a strong, high quality vocational education and training (VET) system that delivers the vocational skills required to capitalise on the economic opportunities emerging as the global economy recovers from the global economic crisis, provides workers with real choices in their working life and contributes to the development of a cohesive and equitable society.
2. Congress notes that the Australian economy is well placed to capitalise on the growth of the Asia-Pacific region; an effective VET system will be crucial to our prospects as a nation as we build the workforce of the future based on high quality skills and high quality jobs delivering better wages and conditions in high performing workplaces.
3. Congress recognises however that Australia continues to confront skills challenges that are, in part, a consequence of the failure of employers to invest in their own future.
4. Congress specifically notes the lack of investment in skills by the resources sector, which currently relies on FIFO/DIDO for its workforce. Congress calls on major resource companies and the government to ensure that the mining boom leads to an investment in Australian skills for the future.
5. The current economic circumstances require that new workers be trained, existing workers be up-skilled or re-skilled, and that more apprentices and trainees be offered opportunities to participate in employment and training.
6. Congress notes that Australia's ambitions in relation to sustainable economic development and decent work require associated workforce development, skills and training, including measures to assist the transition of people and skills between sectors, while concurrently minimising skills shortages that may emerge as a constraint on investment in new industries.
7. Congress recognises that public funding for Australia's VET system is a critical enabler of social and economic equity as well as being a significant contributor to meeting the vocational skills needs of the economy, and calls on affiliates to continue to engage robustly in the debate about vocational education and training.

8. Congress also recognises that a well-resourced, vibrant and innovative public TAFE sector must be at the centre of Australia's VET system.
9. Congress notes that the VET system is one of very few areas of the economy where the social partners engage effectively through their involvement in national Industry Skills Councils and the various advisory and regulatory bodies active in the system, including state industry advisory bodies. Congress notes the clear need for bi-partite industry leadership of the VET system and calls for a strong ongoing role for trade unions in the system.
10. A strong, properly funded, industry led training system plays a positive role in industry development, the provision of quality employment and helps meet labour market and social needs of the community.
11. Congress recognises that the cyclical skill shortages, particularly in the last decade, were a direct result of policy and market failure and therefore Congress opposes a market-driven approach to the organisation and delivery of VET.
12. The pursuit of a 'training market' has resulted in serious underinvestment in training by employers, skills shortages, reduced productivity and competitiveness, and a system in which short term demands are prioritised over longer term strategic needs, and narrow based skills over strong vocational education and training delivering robust generic transferable skills and literacies.
13. Such an approach will only lead to further fragmentation of training, serious undermining of public VET provision, loss of national standards and recognition, and loss of portability of skills and qualifications. It will further erode the linkage between skills and work which, in conjunction with a lack of reliable forecast data on future skills needs, will result in Australia being unable to meet its own basic workforce needs.
14. It will also place at risk the viability of Australia's network of public providers of vocational education and training, our critically important TAFE systems.
15. Congress is concerned to note that the public TAFE system in Australia has seen recurrent funding per student contact hour decline by 15.4% between 2004 and 2009 and by 25.7% since 1997, and that government recurrent funding has shifted significantly in the favour of private 'for-profit' providers and that adult continuing education has been largely moved to full fee-for-service provision.
16. While Congress welcomes recent comments by the Commonwealth indicating that access to federal funding is no longer tied to a requirement to implement further contestability for VET funding, Congress notes with concern that the introduction of market-based reforms in Victoria has had widely reported and recognised negative effects on the reputation of the VET system, as increasing number of private providers have entered the VET system attracted largely by the availability of public funding.
17. This has encouraged training providers to focus more on the marketing of courses to attract new students, rather than giving serious and appropriate attention to the quality and rigour of the training being provided. The result has been unprecedented growth in high volume, low cost qualifications in non-skill

shortage areas delivered by private providers in a fraction of the time it takes at reputable providers.

18. Congress notes that there is no evidence to suggest that the economy or individuals are benefitting from these activities.
19. The competition model as introduced in Victoria has also had the effect of denying access to publicly funded training for those looking to re-enter the workforce, change career, or develop new skills, by virtue of the fact they have existing qualifications at that same level.
20. Congress opposes the introduction of income contingent loans schemes in vocational education and training because it will result in a further deterioration in government and business investment in skills and will accelerate the shift in responsibility for funding away from government and employers and onto individual students, many of whom are amongst the most disadvantaged in the Australian community.
21. Congress identifies the following priority areas for ACTU and affiliates over the next three years.

### Strengthen the national qualifications system

22. Congress determines that Australia's vocational education and training system should be founded on the highest possible standards of quality, integrity and relevance to industry, the economy and the Australian community. It should:
  - a) Reject simplistic market-based mechanisms as inappropriate for such a strategically and socially important policy area;
  - b) Reflect the contemporary needs of industry for skilled workers in areas of the economy where there are realistic employment opportunities;
  - c) Be underpinned by a quality and compliance regulatory regime that restores the integrity of the VET system and rebuilds confidence in our national training system by regulating the behaviour of training providers and other brokers in the system;
  - d) Be industry-led so as to ensure national quality, relevancy and fitness-for-purpose;
  - e) Be nationally consistent based on vocational standards defined by national Industry Skills Councils led by trade unions and employer representatives. National consistency, recognition and portability of skills and qualifications are essential if VET effort and outcomes are to be of value to workers and the national economy;
  - f) Provide systematic, affordable access to genuine recognition of prior learning to both students and workers who are contemplating further vocational learning;

- g) Reflect the need for all workers undertaking vocational education and training to have access to affordable, relevant, high quality national training packages, competencies and qualifications, and the generic skills, knowledge and literacies required to support career choice and career mobility.

23. To achieve these objectives, the ACTU and affiliates undertake to:

- a) Support a strengthened central role for Industry Skills Councils and work with ISCs to build effective relationships between them and state industry advisory bodies (IABs). Membership of these bodies shall be drawn from relevant unions and employer representatives;
- b) Support the introduction of industry-based employer contribution schemes, like the Construction Industry Training Funds, to ensure that those who profit from workers' skills contribute to their development;
- c) Seek the adoption and prosecution of national standards that ensure equity and parity of qualifications and provide greater consistency of training effort, vocational relevance, rigour and quality for the same qualification and between different qualifications at the same AQF level;
- d) Support the ongoing operations of the national VET regulator and promote nationally consistent, rigorous auditing, that provides the community with confidence that industry standards are being met;
- e) Ensure unions are effectively represented on ISCs and support improved funding for ISCs to maintain the development and continuous improvement of high quality, industry driven products and advice that contribute to effective workforce planning and development;
- f) Support the development and incorporation of learning strategies and modes of delivery and assessment where specified by industry in training packages;
- g) Argue for the maintenance of integrity in qualifications by opposing duplication, fragmentation and provider driven development of qualifications.

Re-establish the linkages between vocational education and training and the needs of jobs and occupations in the labour market

24. Australia's VET system must:

- a) Be responsive to the needs of students, workers, industry and the community, not simply the narrow, short-term interests of individual employers;
- b) Ensure that Australians are given every opportunity to build the skills and vocational qualifications required to participate in the transition to a low carbon future, and to facilitate access to the skills and workforce

development initiatives they need to make existing and new jobs environmentally sustainable;

- c) Be informed by effective forecasting of skill needs to ensure that training effort, including financial investment, is expended in a way that meets future workforce development needs. The analysis of skill needs and shortages must be developed within a nationally agreed framework and be led by the industry parties;
- d) Recognise the importance of integrated employment and training based pathways such as apprenticeships, cadetships and traineeships as effective means by which the supply of skilled workers can be increased;
- e) Recognise that improved wages and decent conditions are fundamental to significantly increasing the appalling completion rates in apprenticeships/traineeships and building their status in order to encourage increasing numbers of people to participate in apprenticeships/traineeships;
- f) Recognise the need to substantially improve the regulatory regime that underpins Australia's apprenticeship and traineeship system. To that end, the governments of Australia should move to further implement the recommendations of the Apprenticeships for the 21<sup>st</sup> Century Expert Panel;
- g) Provide workers with timely access to advice on training for future skills needs, support in making training choices and paid time off to undertake training;
- h) Be funded at levels that reflect the true cost of developing high quality vocational skills;
- i) Provide pathways for career advancement and labour mobility within and between industries;
- j) Ensure that vocational education and training delivers the generic skills and literacies workers need to make successful transitions into jobs, between jobs and into active retirement; and
- k) Maximise articulation with, and linkages to, the higher education sector while recognising the primary objective of the VET sector is the development of vocational skills.

25. To achieve these objectives, the ACTU and affiliates undertake to:

- a) Seek increased government investment in vocational education and training including in areas of high skill need, that:
  - recognises both the period of training and the rigour and intensity of effort;
  - supports both new entrant and existing worker training requirements; and

- supports new industries and areas of potential future economic and jobs growth.
- b) Support the implementation, by the governments of Australia, of the recommendations of the Apprenticeships for the 21<sup>st</sup> Century Expert Panel, and in particular:
- Support the establishment of a National Custodian for the Apprenticeship System;
  - Establish structured support for employers to provide high quality employment and workforce development experiences for eligible apprentices and trainees;
  - Reinforce the need for a shared responsibility for the Australian Apprenticeships system by establishing an Employer Contribution Scheme in which employer contributions will be matched by the Australian Government;
  - Improve the implementation of Recognition of Prior Learning and Recognition of Current Competence and support provisions for such recognition in modern awards to ensure that flexibility and mobility are supported;
  - Support a review of apprenticeship and traineeship provisions, wages and conditions by Fair Work Australia, considering:
    - the removal of barriers to competency based wage progression in modern awards;
    - apprentice and trainee award pay compared to going rates of pay;
    - age, diversity and circumstances of commencing apprentices and trainees;
    - allowances (travel, tools, clothing, course fees);
    - cost to apprentices and trainees of participation in an Australian Apprenticeship;
    - part-time and school-based arrangements;
    - recognition of pre-apprenticeship and pre-vocational programs; and
    - supervision ratios for apprentices and trainees.
- c) Support the referral, by the States, of their power to declare an occupation to be a trade to the proposed National Custodian and the reintroduction of 'trade papers'.
- d) Support the establishment of workplace learner representatives (WLR) in the workplace.

These workplace learner representatives will be responsible for:

- assisting workers to understand the need for skills development;
- facilitating and supporting skills analysis for workers and groups of workers;
- facilitating access to or support for RPL and training; and
- supporting the establishment of workers and employers as informed and demanding consumers in the VET system.

Workplace learner representatives should be encouraged to develop formal and informal links with VET teachers.

- e) Support the establishment by relevant unions, with the support of the ACTU, of WLR programs in a number of high priority industry sectors such as Aged Care, Resource and Defence Engineering, Manufacturing and Construction;
- f) Support up-skilling programs that set priorities and expand programs for existing workers, including through funding arrangements to allow for cooperative ventures that promote the integration of basic language, literacy and numeracy education into vocational programs;
- g) Use the foreshadowed review of apprenticeship incentive payments to reinforce the importance of ensuring that direct government support to employers for apprenticeship and traineeship training is used to encourage genuine, high quality training effort in areas of future skill needs, and social and economic importance;
- h) Work with industry advisory bodies, government and other industry and employer bodies to build industry capability in:
  - skills analysis;
  - workforce planning and development;
  - developing industry vocational skills profiles;
  - identifying vocational education needs; and
  - developing VET products and interventions, directed at more effective delivery and skill development.
- i) Seek improved resource allocation from both government and industry for building this improved analysis/planning capability to ensure stakeholders and policy makers have robust and accurate data on future labour and skills requirements;
- j) Support the ACTU and affiliates' submissions to the 2012 FWA Award review for improved wages and conditions for apprentices that properly reflect the importance of the apprenticeship system in delivering skilled workers to the economy;

- k) Develop the skills and capabilities of union representatives on ISCs and IABs through regular ACTU sponsored training and professional development days;
- l) Lobby state and territory governments to require increased notice by employers to employees, unions and government of potential redundancies, or where the employment security of workers is in jeopardy;
- m) Work with governments to implement strategies to maximise publicly funded retraining opportunities through TAFE;
- n) Promote vocational training within the resource sector and discourage the practice of FIFO/DIDO where possible; and
- o) Where employers in particular industries experience severe difficulties retaining apprentices and trainees due to circumstances beyond their control, negotiate arrangements that reflect industry requirements and enable the retention of existing apprentices and trainees. Such arrangements should only be implemented following agreement between the Government, the ACTU and relevant unions.

### Develop a higher quality, responsive and accessible VET system

26. Australia's VET system should:

- a) Deliver high quality, fit-for-purpose vocational education and training;
- b) Ensure the maintenance and ongoing development of a well-resourced, dynamic and responsive public TAFE provider;
- c) Enable TAFE and other providers to work with Industry Skills Councils and the industry parties to identify and respond effectively to emerging skills needs;
- d) Provide opportunities for all people to engage in relevant vocational education and training through accessible providers delivering high quality training, through flexible modes of delivery, geared to the needs of their students; and
- e) Provide equity of access and stop the transferring of costs to students.

27. To achieve these objectives, the ACTU and affiliates undertake to:

- a) Support a strong and increased funding base for capital works, maintenance, infrastructure, equipment and development and vocational education delivery for TAFE that recognises the important role of the public provider in providing access to VET in areas of both high and low demand and supports flexible modes of delivery;
- b) Support a funding model for VET that provides funding to the training provider that reflects the true cost of delivering training, including:

- services that support improved access and participation for disadvantaged learners;
  - the costs of delivering in rural and remote areas;
  - training time and effort;
  - incorporation of literacy and numeracy support;
  - the importance of workplace based assessment; and
  - the true cost of undertaking high quality RPL.
- c) Support a funding model that properly recognises the importance of the broad role TAFE plays in providing access to training and re-training in areas of high and low demand, and in particular, in rural and remote areas;
  - d) Continue to actively monitor the introduction by states of flawed, market-based 'entitlement' models and increased 'contestability' for public funding;
  - e) Support a review and rationalisation of the many competing initiatives in the pre-vocational, employability and foundation skills policy space with a view to establishing a single framework that contributes to the national objective of lifting the skills and qualifications of all Australians;
  - f) Seek increased funding of VET places to increase access for young people, people with disability, and Aboriginal and Torres Strait Islander peoples, particularly in higher level traineeships and apprenticeships;
  - g) Support access for all VET students to a proper assessment of their training and support needs, including RPL, when they commence their qualification;
  - h) Through work with Skills Australia, and in collaboration with the AEU, seek a national workforce development strategy for the VET workforce that specifically includes the allocation of adequate resources to enable TAFE teachers and institutes to develop and maintain close liaison with industry and to encourage appropriate relationships to assist industries to meet their vocational skills needs;
  - i) In consultation with the AEU, support the development and promotion of appropriate high level vocational education qualifications and professional development for TAFE teachers; and support a strategy of re-professionalising the teaching workforce;
  - j) Campaign and lobby TAFE and VET employers to address the unacceptably high level of casual and other precarious forms of employment within the VET sector;
  - k) Encourage greater levels of engagement between TAFE, other RTOs and ISCs for the purpose of developing material necessary to support quality delivery of training and campaign to establish funding models that are sufficient to fund the development of those materials; and

- l) Identify and promote key emerging skills needs through national Industry Skills Councils.

### Focusing training for Aboriginal and Torres Strait Islander Peoples on employment outcomes

28. It is the position of this Congress that Aboriginal and Torres Strait Islander Peoples targeted employment training, should have an employment outcome. Too often in the past Aboriginal and Torres Strait Islander Peoples have been placed on government funded training courses, or in CDEP programs that have resulted in attaining training qualifications, but have not led to full time employment. Congress believes that Government needs to start addressing funding towards employment outcomes that result in a commitment by industry to employ the participants upon completion or graduation.
29. Congress has listened to the representatives of Aboriginal and Torres Strait Islander communities who have expressed their desire to attain self-determination and independence from welfare by being able to be self-employed and attain skills to be able to run culturally akin small business. It is the position of Congress that training courses should be developed to cater to this need which will be culturally appropriate in their cognitive delivery. Congress calls upon government to ensure that funding is available for supporting Aboriginal and Torres Strait Islander Peoples whatever their place of residence to attend these courses.

### Ensure VET acts as an effective pathway between school and work

30. Congress recognises that proper vocational education and training that takes place in schools, or is delivered to school students, can provide an effective pathway for young people from school to work. However, this is only the case where VET undertaken by young people while still at school meets national standards and therefore has the confidence of industry.
31. Congress notes that many pre-employment and pre-vocational programs are incorrectly marketed to school students as VET programs, creating the misleading impression that the program will result in genuine vocational skills.
32. The marketing of 'VET in schools' programs that fail to deliver genuine vocational skills students should be required to accurately reflect exactly what they deliver.
33. Australia's VET system should act as an effective pathway between school and work by:
  - a) Ensuring that vocational education and training in schools results in vocational skills that are recognised against national standards for VET;
  - b) Establishing formal mechanisms through which the skills gained by school students through paid work can be recognised against national standards;
  - c) Ensuring that all secondary school students have access to formal recognition for the broad workplace and career development related skills

gained through their casual or part-time paid work and other relevant activities; and

- d) Maximising opportunities for students to obtain the required skills.

34. The ACTU and affiliates undertake to:

- a) Lobby for reform so that all young people are able to access high quality, nationally recognised VET while still at school;
- b) Seek a review of the 'VET in schools' system to ensure that these programs:
- are properly funded;
  - are delivered by appropriately skilled and qualified teachers;
  - are delivered in appropriately resourced facilities;
  - include adequate student support services;
  - include structured workplace learning; and
  - provide credit against training package qualifications where genuine competency is achieved.
- c) Support the establishment of industry endorsed pre-apprenticeship and pre-vocational training in schools that provides credit toward a training package qualification where competency against industry standards is achieved;
- d) Support school-based apprenticeships and school-based traineeships where these can be delivered without undermining essential industry standards; and
- e) Support the introduction of National Trade Cadetships provided they offer genuine structured training opportunities in the workplace and are developed in close consultation with, and endorsed by, national Industry Skills Councils.