

Education and training policies

Vocational training

The ARA supports a review of the efficiency and effectiveness of the vocational training system currently being conducted. However, although there are specific issues within each part of the education and training system (early childhood, schools, vocational training, and higher education), it is important that there is greater clarity of roles between the Commonwealth and the states across the system not just within each component, and pathways and recognition of quality outcomes should be improved between the sectors so as to achieve efficiency of public funding spend. In other words, any changes made to VET should be done so within a holistic approach to the total system and with a focus on industry not providers.

Funding in VET specifically should be focused on high quality and national qualifications with industry engagement including work integrated learning models such as apprenticeships.

There is no doubt that a more effective national and partnership skills agreement with the states and territories is needed. This will deliver medium to long term outcomes in vocational training. In the meantime, overall investment should not be reduced, and indeed more targeted effort should be placed on increasing apprenticeships particularly for school to work transitions and the disadvantaged groups so as to save on welfare support. Also, the priority is to focus on improving quality across the system, and in turn improving pathways and recognition of prior learning so that students do not have to duplicate learning which is resulting in wasted public funds.

Review of Training Packages and Accredited Course

The ARA supports the concept of a workplace skill outcome, identified by industry-defined competency standards remains the core premise of Vocational Education and Training in Australia. The purpose of VET is to prepare students for the rigours of the workplace and provide them with the skills and knowledge to allow them to actively participate in the Australian workforce and effectively contribute to productivity growth in the workplace.

Training Packages have existed in their current form for over a decade, with industry Skills Councils being the chief agent in their development. In this time, there have been a few major changes to the structure of Training packages such as the embedding of employability skills and the more recent training package rationalisation, streamlining and development of companion volumes. Despite the reviews of ISC governance, roles and functions in 2006 and again in 2011, there has been only slight change in their governance, method of operation and consultative processes and essentially no change to the Training Package development process itself.

ARA support the basic underpinning of the structure of the VET system, being the development of Training Packages that are reflective of occupational skill requirements so as to deliver a more productive workforce and better job outcomes for individuals. This role has been the core function of Industry Skills Councils, working within the standards defined by, until recently, a National Standards & Skills Council. Although there is some variation in industry support for their respective ISCs, there has been no variation in the view of the ARA for an industry-driven system and supervisory body to oversee the development and review of training packages. In that regard we welcome the constitution of the

new Australian Industry & Skills Committee and the commitment that its membership shall be from the business sector.

VET architecture

ARA members support the basic underpinning of the structure of the VET system being the development of training packages that are reviewed to reflect changes in occupations and skill needs. The ARA is concerned changes could see major national businesses develop unaccredited non-transferable packages if there isn't comprehensive enough consultation period with industry stakeholders.

Traineeships

- The policies of the previous Government, most specifically with the removal of non-trades apprenticeship incentives and mature age trade apprenticeship wage subsidies have had a significant negative impact on apprenticeship numbers.
- The major impact to commencements occurred after July 2012 when the 2012/13 Budget and MYEFO cuts took effect.
- It is critically important that there is no further removal of apprenticeship incentives until a comprehensive review with industry has taken place
- This review should look at restoring some incentives, taking into account the cost of training imposed by the states and the need to boost youth employment in key areas of entry level occupations and courses.
- The economic benefit of work integrated learning systems such as traineeships can be just as positive for services sectors such as retail. Also, the loss of tens of thousands of non-trades apprenticeship commencements is a blow to youth employment and a cost to the federal government in increasing unemployment benefits.

Removal of employer incentive payments for existing workers traineeships

The removal of the employer incentive payments has impacted dramatically for enrolments on traineeships which impacts on young workers in up-skilling and improving career prospects.

The ARA recognises the Government needs to work within current budgetary restraints but there needs to be a refocusing of allocation in alignment with younger workers.

- Retail is second to aged care sector in employment in Australia and particularly in regional areas
- Constant need for employees as many large retailers particularly supermarkets have staff turnover rate of annually of 20/30% always requiring skilled staff
- Flexibility of retail i.e. varied shifts, part-time employment; fulltime employment can adequately meet most people's requirements.

- Employer incentive for new entrants should be extended from 3 months to 6 months from employment commencement to allow employers to adequately assess employee

Industry Skills Fund

This program provides funds on a co-contribution basis directly to employers to support up-skilling using national qualifications. ARA and its members strongly supported the previous National Workforce Development Fund, although saw it should be more efficiently managed directly by the department. At the writing of this submission, we have had time to review the new Industry Skills Fund guidelines however, our members are yet to test the process and first look would indicate some level of process and complexity for small to medium retailers. We have also raised concerns over the rating system that does not recognise retail or tourism as growth and innovation priority sectors despite all economic forecasting which we would like to see the government address.

Career development

The Federal Government should revisit the important issues in the release but not funded National Career Development Strategy. The significant spend on workforce development should be complemented by an effective spend on career development, to ensure:

- Students are undertaking courses with a strong understanding of career opportunities and the demands of the occupation
- The right skills are deployed to the right place at the right time
- Better coordination between all of the parts of Government that currently provide careers advice, support and funding
- Industry leadership and professionalism in careers advice.

Employment

- The economic and fiscal policy context for this important priority is increasing workforce participation to improve productivity and reduce welfare dependency.
- The implementation of the employment services due for 1 July 2015 is critically important to get right, with the starting position being that the vast majority of the job market does not require government involvement and job seekers and employers are self-sufficient.
- The ARA has been working closely with industry and government to develop a new model which delivers to the needs of industry while addressing jobs opportunities for job seekers.
- Employment services need to be employer-facing, not supply side driven. All indications are that the new system addresses many of the industry needs and we look forward to seeing how effective government changes will be as the new system is implemented with retailers working with government to improve outcomes.

Schools

The ARA supports a smaller federal bureaucracy for school education, and decentralisation of delivery to the states and schools. That said, there is a continuing role for the national development of curriculum

and the need for the Federal Government to take a more active role in school to work (directly or via further education) transitions. The Federal Government has more financial stake in successful transitions due to the significant cost of funding welfare benefits should the student not successfully transition into further training or work. Specifically related to this the federal government should:

- Take greater leadership of vocational training in schools by increasing the dialogue and engagement between schools and industry, and focus on improving the quality and significant inefficiencies created by poor pathways between VET qualifications
- Improve the embedding of employability skills in the school curriculum
- Encourage and if necessary incentivise the states to introduce minimum requirements for literacy and numeracy to standards required in the workplace, using international benchmarks
- Continue current programs for youth connections (addressing disengaged early school leavers) and school partnership brokers under a redefined and more focused initiative School to Work Transitions. This focus maintains a direct connection between the prevention of poor outcomes and the cost of failure (welfare).