



Brotherhood of St Laurence

Working for an Australia free of poverty

This is one of a series of briefing papers produced by the Brotherhood of St Laurence Research and Policy Centre to provide an overview of the key aspects of Australia's vocational education and training system, from the 1970s to early 2019.

Others in the series include: *Participation and transitions*; *The architecture of Australia's VET sector*; *Funding regimes in Australia's VET sector*; *Emerging skills and competencies, and VET's response*; *The Victorian VET context*; *Apprenticeships and traineeships*; *VET: the international context*. The papers can be accessed at www.bsl.org.au

1. Australia's VET sector since the mid-1970s (post 'Kangan')

Key points

- **Cooperative federalism is the prevailing ideal:** The entire sector is shaped by periodic agreements between the Commonwealth and state governments, with the states allowed great scope to deliver training according to local needs.
- **Market forces guide VET policy:** The Commonwealth and states have embraced market-based, demand-driven models to grow the training market, and to enlist non-TAFE providers. TAFEs' status has steadily diminished.
- **VET is utilised to 'grow the economy':** The role and interests of the economy and of industry have steadily overshadowed those of the learner.
- **Learning is prescriptive:** Training packages and competency-based training form the fundamental curriculum framework, and content is largely determined by industry.
- **VET has an image problem:** VET is very popular in spite of its low status vis-a-vis university education.
- **Performance is problematic:** Completion rates remain low, particularly for lower certificates and apprenticeships.
- **Quality is uneven:** The quality of training is uneven, due mainly to an overcrowded provider landscape, itself arising from the lure of government subsidies available through the demand-driven model.
- **Adult Community Education (whether accredited or non-accredited) is undervalued:** The ACE sector plays a vital yet undervalued role in enabling the development of employability skills, and lifelong learning in general.

A snapshot of current participation

Total sector participation

- 4.2 million students, 0.7% increase from 2016 (around 4,200 training providers)
- 56.4% of government-funded VET students (435,300) were attending TAFE institutes and other government providers
- participation rate as a proportion of the Australian population (15–64 years) remaining steady at 24.1%, with the highest rate (46.1%) among those aged 15–19 years (NCVER 2017)

The evolution and characteristics of the VET system¹

From settlement to the 1970s: a hands-off approach by the Commonwealth

Prior to the 1970s—and stretching back to the late nineteenth century—'technical education' was the responsibility of the colonies/states, which funded both private and public technical education institutions.

¹ See timelines of Australia's VET system development: <http://www.voced.edu.au/content/timelines>; <http://www.voced.edu.au/vet-knowledge-bank-governance-legislation>; <http://www.voced.edu.au/vet-knowledge-bank-history-vet-milestones>

Notwithstanding some contributions as part of mobilisations for both World Wars, and for assisting returned servicemen, the Commonwealth rejected calls by the states to contribute to technical education.

The Kangan review and greater Commonwealth involvement

The Commonwealth yielded in 1973 and put in place an inquiry into technical and further education, which became known as the Kangan review (Bowman & McKenna 2016; Goozee 2001). The review marked a watershed because it laid the foundations for a national approach to technical education, now dubbed technical and further education. It led to far greater involvement and financial investment by the Commonwealth, cuts in student fees, assistance to disadvantaged cohorts and a process facilitating uniform training methods and standards, along with nationally recognised qualifications that enabled mobility across Australia (Bowman & McKenna 2016; Goozee 2001).

Improving the status of vocational training

The review also situated technical education alongside tertiary education, lifting it from its status as 'poor men's grammar schools' (Ryan 2011), and as an extension of secondary education. Importantly, the Kangan review emphasised the importance of the sector to developing a learner's potential for the betterment of the individual and community, within a broader context of industry and commerce. In other words, the individual's and society's interests were accorded greater importance (ACOTAFE 1974).²

National frameworks created for a sector increasingly servicing the economy

Momentum for reform continued into the 1980s, with the creation of a national system of classification of courses, nationally consistent nomenclature, national core curricula, the introduction of youth traineeships (and the Australian Traineeship System), and a national system of data collection (Bowman & McKenna 2016). The Hawke government's approach to vocational education is regarded as one that enlisted vocational training as an instrument of economic development in a context of international liberalisation and competition, and one that was less sympathetic to general education objectives (Ryan 2011). For Ahern, there was in this period a

swing away from...the Kangan student centred 'culture of access', and towards the industry-and-employer-centred culture of... new vocationalism'. The refrain in policy-making circles [became] 'industry responsiveness' (quoted in Ryan 2011).

Commonwealth ambitions constrained

A period of Commonwealth assertiveness in vocational training featured a failed bid in 1992 to take full control of the system. This then led to a regime of 'cooperative federalism' based on periodic negotiated agreements between the Commonwealth and states at COAG premiers' conferences, as well as with industry and the trade union movement. These arrangements were often complex and cumbersome, and have remained so.

The golden ANTA years: growth and coordination

The creation in 1993 of ANTA (the Australian National Training Authority) was an important reform, aimed at mitigating the Commonwealth–state/territories tensions. Under its auspice (1994–2005), the entire training market was expanded, particularly through introduction of user choice, a means by which public funds were made available to private training providers. ANTA also expanded the reach of competency-based training and associated standards (under an Australian Standards Framework), and training packages which 'defined' competency by industrial sector. These were followed by national registers of accredited courses, registered training organisations and national standards for training organisations. VET in Schools

² Among other messages sent by the Kangan report were the importance of lifelong learning; a greater correspondence between general, vocational and workplace learning; and multiple pathways via apprenticeships (ACOTAFE 1974).

was also introduced in 1997, an initiative designed to forge links between schools, the vocational training sector and industry.

Many refer to the ANTA years as the ‘golden years’ in vocational training across Australia, noted not only for the above reforms, but for a series of initiatives that together paid greater regard to the ‘educational culture’ of the sector, with professional development programs and assistance for equity groups standing out. Through the 1990s TAFE institutions delivered the clear majority of training across Australia. Strains persisted, however, arising from the ‘individual/access-industry/vocationalist values rift’, and the imperative to respond to the nation’s fluctuating economic fortunes, skills shortages and wider political imperatives (Ryan 2011).

Post ANTA: growth, but to what end?

ANTA was abolished in 2005, and its responsibilities shifted to the Department of Education, Science and Training (under the Howard government) and then to a new advisory and research body, Skills Australia (under the Rudd/Gillard governments). The focus remained on skills shortages, upskilling, increased workforce participation, and providing industry with a central role in guiding the strategic development and operations of the system (Skills Australia in Ryan 2011).

The Bradley review of 2008 (into ‘higher education’ and not only vocational training) paved the way for an expansion of a demand-driven entitlement system and greater participation by low SES cohorts, while stressing the centrality of the student and their interests. Soon after, in 2011, the Rudd/Gillard governments established a national regime of qualifications and standards through the Australian Skills Quality Authority (ASQA) and the Australian Qualifications Framework (AQF). The Victorian and Western Australian governments opted not to refer their regulatory powers—both had concerns that the proposed standards did not do enough to protect the interests of students—and maintain their own regulatory bodies.

A vast but aimless system?

An assessment of the pre-2016 period by Bowman & McKenna (2016) is instructive: by that account, it is difficult to discern a consistent statement of purpose and objectives for the nation’s VET system since the abolition of ANTA in 2005. Trends are evident, however, with the most important being the creation of national frameworks of qualifications through training packages; and development of a national training market through demand-driven models.

Notwithstanding these national regimes and agreements, Australia’s vocational training is currently delivered through eight systems, with states/territories continuing to develop their own approaches using demand-driven, market-based funding models. States provide approximately two-thirds of the government funding to VET (PC 2018). Throughout, industry involvement has been strengthened, and the struggle to balance social and economic goals has favoured the latter.

The current situation: a sharp focus on ‘skills’, employers’ needs and involvement

The current Commonwealth Government’s overarching funding framework, the Skilling Australians Fund (SAF, 2017–2022), entails the distribution of \$1.5 billion (levied from employers sponsoring foreign skilled employees) and targets occupations and industries in demand, trade apprenticeships, rural and regional communities and groups adjusting to structural change. The SAF is in place in lieu of a revised National Partnership Agreement on Skills Reform (2012–2017) (at time of writing Victoria and Queensland were not signatories). In the wake of the Commonwealth Government’s Delivering Skills for Today and Tomorrow (2019) package of reforms, the replacement for the SAF will likely be in place by late 2019. There were 256,000 apprentices and trainees nationally in 2017. The number of commencements are at their lowest since 1998, and completions the lowest since 2001 (NCVER 2018). Approximately one-third of new apprentices fail to complete.

Apprenticeships and traineeships

Main developments

In line with the evolution of vocational training in general, Australia's apprenticeship regime was fragmented and state-based prior to the 1970s. Subsequently, the Commonwealth played a far more active role through a myriad incentive schemes, making apprenticeships available to part-time workers, school students and existing workers in 1998, and ensuring national recognition of qualifications (Knight 2012).

Traineeships, introduced in 1985, differ significantly from apprenticeships: they are more common in 'non-trade' service industries, are of a relatively short duration (around one year) and entail training at a certificate 2 or 3 level. Apprenticeships, on the other hand, pre-date Federation: they are linked mainly to traditional trades, take up to three years to complete, and entail training at certificate 3 and above levels.

The evolution of the apprenticeship and traineeship system has seen a number of shifts, most notably the increase in the age of apprentices (no longer 19 years and under), the participation of females, and non-trade sectors associated with care and personal services. This can be attributed mainly to the introduction of traineeships.

A steady decline in apprentices and trainees has been evident for some years. The combined enrolments of 269,720 in 2018 represent a small fall from 2017, but this is part of a 22% fall since 2014. Similarly, combined commencements have declined by 26% since 2014. Combined completions have declined by 47% over the past four years (NCVER 2018).

Note: Noonan (2017) cautions against conflating numbers of apprentices and trainees. While the fall in 'non-trade' traineeships since 2012 has been severe, 'trade-based' apprenticeships are relatively stable, notwithstanding falls in some industries. The falls in traineeships were due to policies that limited the number of subsidized qualifications for trainees (e.g. retail, hospitality), as well as cuts to incentives to employers. These cuts were in some respects in response to loopholes in the system that employers had exploited.

Institutions associated with apprenticeships and traineeships

Up to 2014 the Australian Apprenticeship Centres (AAC) registered all apprentices, and worked with group training organisations to cater for apprentices' and trainees' needs. The GTOs employ, support and place apprentices and trainees and oversee their training. Importantly, GTOs provide a buffer of support when contracts end or are disrupted. They also provide field officers who visit workplaces regularly. Since 2014 the support of apprentices and trainees is a responsibility shared between the Australian Apprenticeship Support Network (AASN) (see below), TAFEs, GTOs and other RTOs; and this sometimes creates confusion.

Currently apprentices are the focus of the Commonwealth Government's Skilling Australians Fund, and of its AASN and Apprentice Network providers (in some 400 locations), the former having replaced the AACs and being under review at time of writing. The Skilling Australians Fund (due to be replaced in late 2019), and the AASN aim to boost numbers of apprentices in both metropolitan and regional areas, and to provide more support as apprentices and trainees navigate the worlds of training and employment.

As part of the 2019 Delivering Skills for Today and Tomorrow package of reforms (DESSFB 2019), the Commonwealth Government moved to establish an Additional Identified Skills Shortage Payment to employers and apprentices for up to 80,000 new apprenticeships in occupations experiencing national skill shortages; and revised arrangements for the Australian Apprenticeship Incentives Program.

Views of equity and access

Over the decades, contested notions of 'equity groups' (that is, groups who might not have equal access to educational opportunity) have hindered the development of a clear agenda for VET and its relationship to vulnerable learner groups. There has been little consensus about which learner groups to prioritise (Schofield 1999), and the relative importance of 'structural barriers' and/or 'individual characteristics'

(Considine et al. 2005; Rothman et al. 2013; Atkinson & Stanwick 2016). A tension has been evident between the equity and free market agendas across state and territory entitlement arrangements (Fowler 2017).

Among the most important policies affecting vulnerable young learners were those emerging from the National Partnership Agreement on Youth Attainment and Transitions (2009–14), the National Agreement for Skills and Workforce Development (2009–) and the National Partnership Agreement on Skills Reform (2012–17). The effect of the last two was to extend and entrench demand-driven, contestable and market driven provision; and of the first, to simultaneously encourage unprecedented numbers of young people to undertake vocational education within or beyond the established TAFE sector.

Another influence has been the replacement of the VET-FEE-Help scheme with VET Student Loans. The latter is a more targeted scheme providing income contingent student loans for a shorter list of eligible courses, and offering capped funding in three bands (\$5000, \$10,000 and \$15,000).

Before its dissolution in 2014, NVEAC (the National VET Equity Advisory Council) commissioned research and published data on the participation and outcomes of Indigenous Australians, people with a disability, people from culturally and linguistically diverse backgrounds, people living in remote areas, people from low SES backgrounds, and women (Rothman et al. 2013). Since 2014, equity reporting of VET participation and outcomes data has focused mainly on Indigenous learners, those in remote areas and learners with disabilities. Overall, this limited equity agenda appears to have lowered expectations of training providers and their potential to act as capacity building institutions.

[An international view of Australia's VET system](#)

An OECD report (Hoeckel et al. 2008) on the strengths and weaknesses of the Australian VET system is summarised thus:

[Strengths of Australia's VET system](#)

- Australia has a well-developed VET system, which enjoys a high degree of confidence.
- The engagement of employers is strong.
- The national qualification system is well established and understood.
- The VET system is flexible and allows for a fair amount of local autonomy and innovation.

[Challenges facing Australia's VET system](#)

- The division of responsibilities between the Commonwealth and state and territory governments is unclear.
- Principles underpinning funding are not apparent and are inconsistent with human capital policies and principles.
- The use of skills forecasting creates some difficulties.
- Apprenticeships are rigid and seem to depend on duration rather than competence.
- Training package development and implementation processes are inefficient.
- The ageing of the teacher labour force is a serious problem.

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