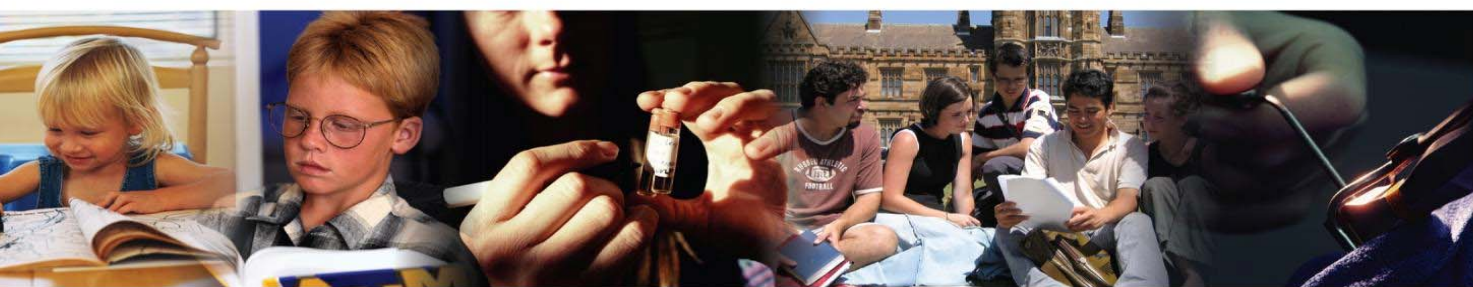


# Labor's Education Revolution: New Directions for Vocational Education and Training

## Trades Training Centres in Secondary Schools



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# Introduction

Australia's future economic prosperity is tied to the skills and productivity of our workforce. For Australia to compete successfully in the global economy, we must invest in the human capital of our nation and build a highly skilled workforce that can compete with the best of our neighbours. We do not want to end up becoming China's quarry and Japan's beach.

This is important not just for our nation's economic future but for the future prosperity and wellbeing of Australians. An individual's job prospects and the income they ultimately receive are closely linked to the level of education they have attained and the personal and professional skills they hold.

In a time of acute skills demand Australia needs highly skilled and educated workers with a commitment to lifelong learning and an ability to adapt to the future demands of technology, industry and the economy.

If our goal is to have the best trained and best qualified workforce in the world, then clearly we must do more in the skills and training area.

The challenge therefore is two-fold: Australia needs to lift the number of students who complete senior secondary school, and to increase the number of people with vocational and skilled trade qualifications.

To increase productivity for the nation and to improve the likelihood of maintaining meaningful, secure employment for individuals, Australia needs to ensure our skilled workers are highly educated with strong literacy and numeracy skills.

For too long, skills and training have been seen as an alternative to education.

Broad economic and social trends are changing the structure of the economy, the size and structure of our work force, the skills needed by workers, and what is required of our education and training system.

If we are to address the economic challenge of an increasing demand for skills we must widen the range of opportunities available to students in our secondary school system.

Demand for workers with vocational education and training and trade skills is rising. According to the Howard Government's own statistics, Australia will need 240,000 more skilled workers by 2016.<sup>1</sup>

It is estimated that of the young Australians aged 18 to 24 who have not completed Year 12, nearly 120,000 are not engaged in the labour force in any meaningful way.<sup>2</sup> If this group of young people were skilled and engaged in the labour force, this alone would meet almost half the estimated skills needs for the next five years.

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<sup>1</sup> Ministerial Council for Vocational and Technical Education, *Possible further reform of the vocational education and training system: Report from the Ministerial Council for Vocational and Technical Education to the Council of Australian Governments*, April 2007, p.28

<sup>2</sup> Dusseldorp Skills Forum, *How Young People are Faring 2006*.

For our nation to continue to enjoy the economic dividends experienced in recent years, our objective must be to lift the overall level of capability and capacity of our workforce.

We must lift participation in, and completion of, the senior years of schooling by improving the quality of education and vocational training within these years. It is also vital that we address young people's transition to vocational education and from vocational education and training to university study. Our goal must be to prepare young Australians better for post secondary school education.

We must also confront the reality that for a significant number of young students, remaining at school and in training is a significant disincentive when rates of pay for unskilled or semi-skilled labour are high.

A skilled workforce is essential for our long-term prosperous future, so we need to make vocational qualifications more attractive to all Australians, beginning with young people in schools.

Australia's vocational education and training system has served our nation well.

However, the changing skills sets required and the changing demand for those skills by employers and the nation means that more needs to be done to ensure our vocational education and training system meets the needs of those young people in a vocational or skilled occupation, or looking for a career in one.

This paper builds on Federal Labor's Education Revolution. Labor has already released seven related policy directions papers:

- ***The Australian economy needs an education revolution: New Directions Paper on the critical link between long term prosperity, productivity growth and human capital investment*** which argues that we cannot take our current prosperity for granted. Not only is productivity growth beginning to slow, but resource prices are likely to unwind over the coming years, the ageing of the population will place significant pressure on public finances and reduce workforce participation, and the global marketplace is becoming increasingly competitive as China and India continue their transformation into economic superpowers.
- ***New Directions for Early Childhood Education: Universal Access to Early Learning for Four Year Olds*** which sets out a \$450 million plan to give a universal right of access for all four year olds to fifteen hours a week of high quality early childhood education delivered by a qualified early childhood teacher.
- ***New Directions for Maths and Science*** which provides financial incentives totalling \$111 million for students to study maths and science at university and then use their degrees within the maths and science professions, particularly teaching.
- ***New Directions for our Schools: Establishing a National Curriculum to improve our children's educational outcomes*** which sets out a plan for a national curriculum delivered in partnership with State and Territory Governments and educational experts, informed by the needs of students and their parents.
- ***New Directions for our Schools: Local Schools Working Together*** which sets out an innovative pilot program to fund the construction of

shared facilities between government and non-government schools. \$62.5 million will be made available to provide high quality classrooms, sporting fields, science labs, libraries, trade workshops and assembly halls in new growth areas.

- ***New Directions for Australian Children: Helping parents keep their kids healthy and ready to learn at the start of school life*** which sets out a plan for a universal *Healthy Kids Check*, a Healthy Habits for Life guide for parents and \$16.9 million for the national rollout of the *Australian Early Development Index* to ensure Australian children make a healthy transition to school.
- ***New Directions for Schools: A National Action Plan for Literacy and Numeracy*** which sets out Labor's plan to ensure our teachers are literate and numerate, our children are supported to read, write and count and parents are informed about and encouraged to mentor their children.

## The importance of completing Secondary-School

Over 100,000 young Australians leave school without completing Year 12 each year.<sup>3</sup> This equates to 25 per cent of Australians leaving school early and increases to 60 per cent for young Indigenous Australians.<sup>4</sup>

The OECD notes that low levels of education lead to difficulties in the workforce. The 2005 Report, *From Education to Work: A difficult transition for young adults with low levels of education* notes:

*Educational attainment is becoming increasingly important, relative to other factors, in shaping young people's life chances. Research shows that the direct influence of factors such as social class, ethnicity and gender on economic and social success is declining. These factors remain important, but their impact is increasingly operating via their influence on access to, and success in, education.*<sup>5</sup>

After a period of strong growth between 1980 and 2000, secondary school retention rates in Australia have reached a plateau.<sup>6</sup> Chart 1 shows Australia is falling behind other developed countries in terms of the number of 17 year olds participating in upper secondary education. In contrast countries like Finland and Denmark are maintaining retention rates of over 90 per cent.

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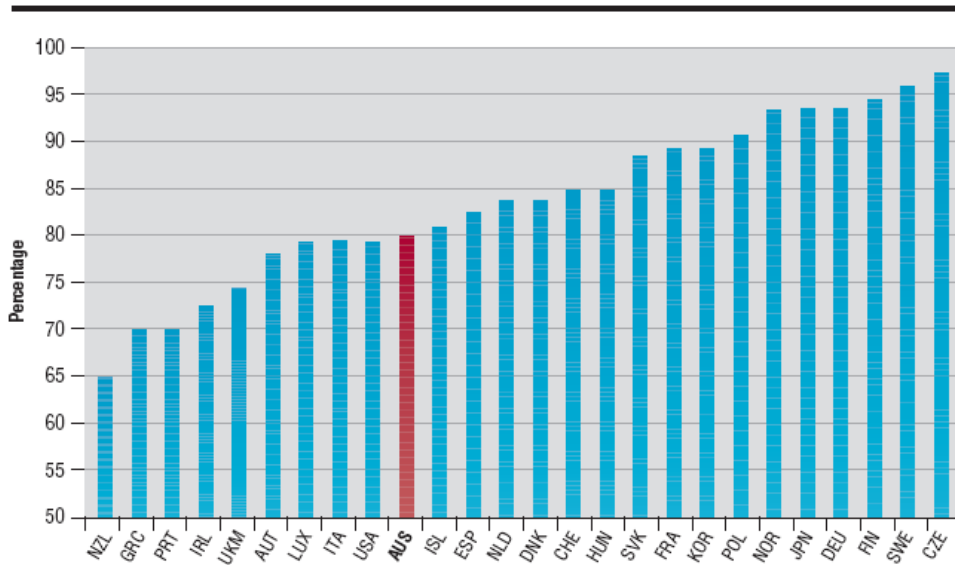
<sup>3</sup> Dusseldorp Skills Forum, 2005.

<sup>4</sup> ABS Schools, Australia 2006.

<sup>5</sup> OECD, *From Education to Work: A difficult transition for young adults with low levels of education*, 2005.

<sup>6</sup> Intergenerational Report, 2007, p62

**Chart 1: Per cent of 17 year-olds participating in upper secondary education, 2002<sup>1</sup>**



1. Refers to programmes at ISCED 3 level, wherever located.

While teacher quality, curriculum and other factors have an impact on secondary school retention, the differences in retention rates between States and Territories, from 65 per cent to 88 per cent, point to the quality of the overall learning environment and perceived career opportunities being influential in lifting the proportion of young people who complete Year 12.<sup>7</sup>

Reducing the number of young people who leave school early and who fail to make a positive transition to study or work after leaving school is central to lifting individual prosperity and our nation's economic productivity.

Despite strong economic growth an alarming number of young people do not make a successful transition. In 2006, a total of 540,000 young Australians aged 16-24 were not engaged full time in either learning or work. Of these:

- 330,000 were unemployed, wanting to work or wanting more hours;
- 48,000 early school leavers were not fully engaged in education or the workforce; and
- 118,000 young adults aged 20-24 without Year 12 or equivalent qualifications were not in education or work.<sup>8</sup>

The number of young people undertaking post school training and education is almost entirely dependent on how many complete senior schooling. The consequences of low secondary school retention rates include restricted access to further educational opportunities, reduced participation and higher rates of unemployment.

The evidence is clear that both increasing secondary school completion rates and establishing clear avenues to post school education and training are essential to lifting productivity and arming young people with skills to avoid sustained periods of unemployment throughout their working lives.

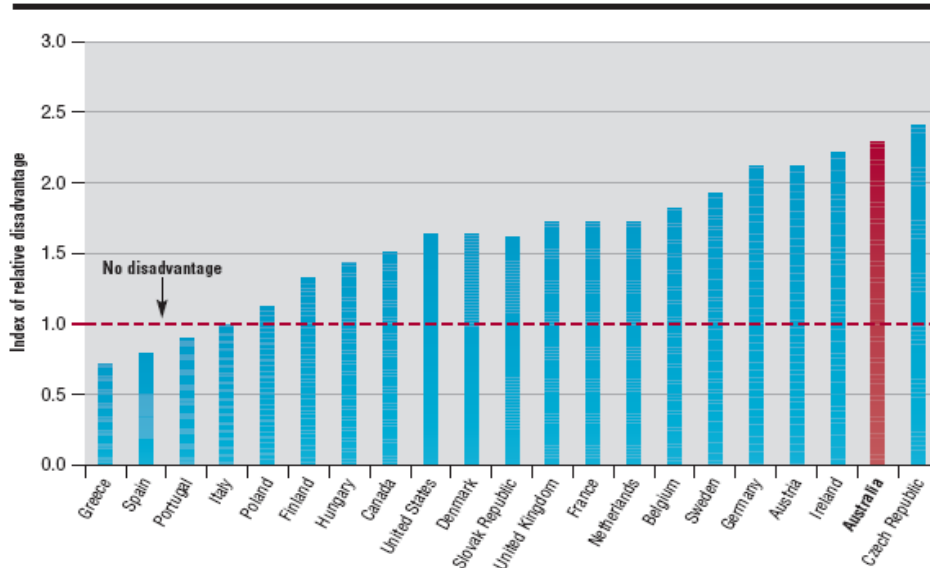
<sup>7</sup> ABS, Schools Australia 2006

<sup>8</sup> Dusseldorp Skills Forum, *op cit.*

For example, economist Richard Sweet has shown that individuals who fail to complete secondary education experience significant disadvantage in the labour market.<sup>9</sup>

In Australia, the incidence of unemployment among those who have failed to complete Year 12 or its equivalent is more than double than those who have (Chart 2).

**Chart 2: Index of the relative labour market disadvantage of low-qualified 20–24 year olds, 2002<sup>1</sup>**



1. The index is the proportion of 20–24 year olds without an upper secondary qualification who are unemployed as a multiple of the proportion of 20–24 year olds with an upper secondary qualification or higher who are unemployed.

Source: Sweet (2006), *Education, training and employment in an international perspective*, Presentation to 'New Transitions: Challenges Facing Australian Youth Seminar', Melbourne.

This is a problem being faced by developing countries across the globe.

The OECD Report noted that:

*Rising skill demands in the OECD countries have made upper secondary diplomas a minimum for successfully entering the labour market and a basis for further participation in lifelong learning. Young people with lower qualifications run a higher risk of long-term unemployment or unstable or unfulfilling employment, which can have additional consequences such as social exclusion. Therefore, early school leaving has become one of the most important educational policy problems today.*<sup>10</sup>

If we are to secure future gains in economic performance, we must seek to maximise the number of young people who reach workforce age with qualifications and are therefore less vulnerable to unemployment during their working lives.

Along with the individual benefits, such as better employment outcomes, which come with completing senior secondary school, there is a clear link between increasing retention rates and increasing productivity.

<sup>9</sup> Sweet (2006), *Education, training and employment in an international perspective*, Presentation to 'New Transitions: Challenges Facing Australian Youth Seminar', Melbourne.

<sup>10</sup> *ibid*

In 2005 Access Economics estimated that raising Year 12 completion rates to 90 per cent would add around \$9 billion to GDP by the year 2040 and that the cost, in additional educational expenditure, would be only one twentieth of the increased GDP.<sup>11</sup>

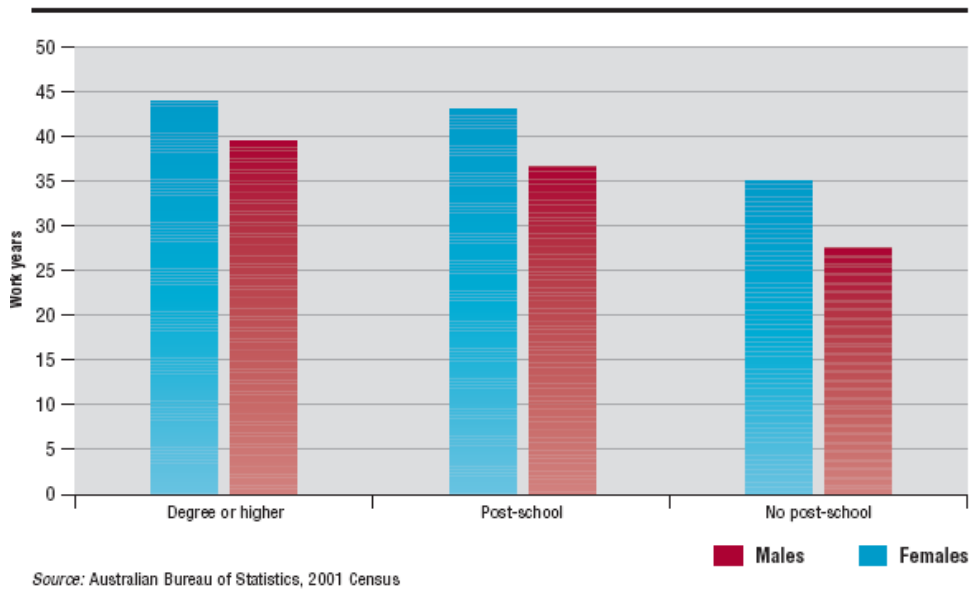
Both the Access Economics Report and one from Australian National University support the link between increased human capital formation and higher productivity growth:

- Access Economics has calculated that if the Australian workforce had just 0.15 years of extra education and training – achieved by an increase of 50,000 students staying at school or in apprenticeships – we could increase productivity in the Australian economy by 0.62 per cent and economic growth by 1.1 per cent by 2040.<sup>12</sup>
- Australian National University economist Steve Dowrick estimates that if Australians had one further full year of extra schooling this would boost economic growth by 0.3 percentage points and boost productivity growth by at least 0.3 percentage points every year.<sup>13</sup>

People with better education and training tend to participate in the workforce for longer and are more able to adapt to change.

As Chart 3 shows, Australians with post-school or degree qualifications have longer working lives than those with no post-school qualifications.

**Chart 3: Average years of workforce participation by qualification level in Australia**



<sup>11</sup> Access Economics, *The Economic Benefit of Increased Participation in Education and Training*.

<sup>12</sup> *ibid*

<sup>13</sup> Dowrick, Steve, *Investing in the Knowledge Economy: implications for Australian economic growth*, Paper prepared for Melbourne Institute's Economic and Social Outlook Conference, April 2002.

With greater earning potential throughout their lives, people with more years in education are less likely to be discouraged from looking for work and more likely to stay in work longer – helping to meet Australia’s ever-increasing demand for workers.

With a greater proportion of the population in work, Australia will be able to better manage the significant challenges of demographic change.

### ***Why do young Australians leave school early?***

While there has been a deal of activity and a array of programs to improve the transition from secondary school to further education, training or work, much remains to be done to prevent students falling through the cracks.

One of the realities of a strong labour market is a clear attraction for young people to leave school early and start earning wages for unskilled labour, instead of completing senior secondary school and then entering the workforce a few years later.

Many young people see education solely as an instrument to getting a job,<sup>14</sup> therefore there is less incentive for these students to remain in school until Year 12 if employment opportunities are available to them as unskilled workers.

The evidence of longer term benefits of completing school and attaining a vocational or other post-school qualification are often not as immediately compelling.

Senior schooling is too often seen as a means of gaining entry to University – Year 12 qualifications are often shaped by University prerequisites and requirements, and ultimately in the various University Admissions Indexes.

While 37 per cent of students do go on to study at University, the majority of students take on alternative career and training options.<sup>15</sup>

Of the 63 per cent of students who do not go on to University, over a third of these young people do go on to study at TAFE and other vocational education and training providers or take on an apprenticeship, and one in four move directly into the workforce.

Vocational education and training should be seen as an equal first choice option for young people, and this should be reflected in the structure of Australian senior secondary schooling.

While it is important to have an academically rigorous curriculum, it is also crucial that students are able to pursue their interests and see that attaining a senior school qualification will give them a head start on their future career as well as ensuring their long term employment security.

A recent study on the views of Generation Y found that:

*...those who had gone on to apprenticeships and vocational training or had gone straight into the workforce spoke dismissively of their schooling as having been largely irrelevant in preparing them for work. They were also*

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<sup>14</sup> Dusseldorp Skills Forum, *Fearless and Flexible: The views of Gen Y*, 2006.

<sup>15</sup> Dusseldorp Skills Forum, *What young people are thinking*, 2006.

*critical of the perceived lack of career advice and transitional arrangements at school.*<sup>16</sup>

Improved access to vocational education and training in schools and school-based apprenticeships will make schooling more relevant for the almost two thirds of students who do not go on to University study.

While it is important that this happens in secondary schools through the availability of high quality and engaging vocational education and training options, it is also necessary to convince young Australians of the value of staying at school before they reach the end of Year 10.

Students in Years 9 and 10 who do not go to University need to have an alternative option available to help their careers and ambitions if they continue to Year 12.

A 2004 study by the Queensland Department of Education and the Arts, *Staying on at school: Improving student retention in Australia*, identified the link between curriculum options and retention.<sup>17</sup>

Historically, the secondary school curriculum has been heavily influenced by University admissions requirements which can act as a barrier to students who are not seeking to gain entry to University. Changes began to occur in the 1980s when vocational courses were introduced in the secondary school curricula of some states such as New South Wales, Victoria and South Australia.

These changes came in response to a Commonwealth study in the 1980s that stressed:

*...the importance of alternative programs in providing new models of teaching and learning, of special relevance to non-University oriented students who frequently represented the majority of young people reaching senior levels of high school.*<sup>18</sup>

The *Staying on at School* report notes that in practice, vocational education and training programs tend to lead to higher levels of retention to Year 12,

*This appears to happen by extending choice of programs in upper secondary school to include ones with more overt and demonstrable economic benefits and which are also more accessible and satisfying in learning terms.*<sup>19</sup>

Retention rates will improve if the school environment can be made more engaging, if vocational programs are integrated well with subjects such as English and Maths, and most of all, if young people are convinced of the value of remaining at school. This requires not only an improvement in the overall quality of the vocational education in our schools, but the ability to capture the imagination of students in the early years of secondary school through vocational education options and career support before they become early leavers.

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<sup>16</sup> Dusseldorp Skills Forum, *Fearless and Flexible: The views of Gen Y*, 2006.

<sup>17</sup> Queensland Department of Education and the Arts, *Staying on at school: Improving student retention in Australia*, 2004, p.49.

<sup>18</sup> *ibid*

<sup>19</sup> *ibid*

# Current vocational education and training and trade skills in our schools

At Commonwealth and State and Territory levels of Government steps have been taken to address the impact of the skills crisis and to encourage young people into some form of school to work progression.

National commencements in school-based apprenticeships and traineeships have more than quadrupled since the introduction of the school-based apprenticeships initiative in the late 1990s.

School-based and other apprentices and trainees attending school account for nearly one in five teenage apprentices, while nearly half of all 15-year-old apprentices and trainees, and nearly one-third of 16-year-olds, are enrolled in school-based apprenticeships and traineeships.<sup>20</sup>

This is comparatively low by world standards, and most students remain in general education pathways.<sup>21</sup>

According to the National Centre for Vocational Educational Research, those participants engaged in school-based apprenticeships were generally enrolled in lower-level qualifications.

Around 75 per cent of all school-based apprenticeships undertaken are at the Australian Qualification Framework Certificate II level, with less than 25 per cent being undertaken at the higher and more rigorous Certificate III level.<sup>22</sup> A small number are at both the Certificate 1, with virtually none at the Certificate IV level.

## ***The state and territories***

At the State and Territory level, a range of vocational education and training reforms have been pursued.

The New South Wales Government has a range of vocational education and training-in-school initiatives, including school-based apprenticeships and traineeships and a series of dedicated trade schools. It is also:

- assessing the establishment of *VET in Schools* courses in new industry areas and in industry areas currently not well subscribed in *VET in Schools*;
- increasing participation in school based apprenticeships or other trade related vocational courses;
- providing a School to Work program that assists students in Years 9 -12 to make decisions about their future through a range of programs including work experience and careers counselling;
- expanding and enhancing industry engagement with *VET in Schools* and school based apprenticeships and traineeships delivered by schools, TAFE

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<sup>20</sup> NCVER, *Australian vocational education and training statistics: Apprentices and trainees 2005—Annual*: 9

<sup>21</sup> NCVER, *Informing post-school pathways*, 2006:11

<sup>22</sup> NCVER, *Australian vocational education and training statistics: Apprentices and trainees 2005—Annual*: 10

- and other Registered Training Organisations, with a view to developing strategies to promote a range of post-school transition pathways; and
- providing opportunities for students to study towards higher level VET qualifications, such as Certificate III trade training.

Importantly, the New South Wales Government is investing \$330,000 to pilot vocational education and training in schools for Years 9 and 10 students. Students at over 30 schools have started training in areas such as construction, hospitality and primary industries. The program aims to expand options for students in the compulsory years of schooling, particularly Aboriginal students and schools with low student retention rates to Year 10. Student work counts towards the School Certificate or HSC and credit will also be given towards a vocational qualification.

The South Australian Government is implementing strategies to increase access for young people, particularly from socially and economically disadvantaged backgrounds, to vocational education and training. This is being done through initiatives like the South Australia Works for Young People Program, Industry Career Action Groups, VET in Schools, Youth Engagement Strategy, and Youth Employment Commitment.

In addition, the South Australian Government has adopted a *School-to-Work – Skills for the Future* program, including the establishment of ten *Trade Schools of the Future* between 2007-2011, which will focus on industry sectors identified as being of economic importance and relevance to the State. In 2009, the South Australian Government will lift the school-leaving age to 17.

Western Australia is taking a similar approach. In particular, a focus of the West Australian Government is lifting the overall number of apprentices and trainees 'in training'. There are now more than 32,000 apprentices and trainees in training, compared to 26,300 in 2004.

In April 2007, the West Australian Government announced a \$27 million *training guarantee* for every unemployed Western Australian under 19 years of age, which will see more than 9000 new apprentice and trainee places over the next four years. Other initiatives include:

- *The School Apprenticeship Link Program*. In 2005, the Western Australian Government introduced a pilot program which paired Year 11 students with an employer while they continue with the school studies and trade training at a TAFE college. More than 350 students participated in the pilot. The State Government has committed to train 2,000 students through this program by 2008/09.
- *The Youth Skills Investment Initiative* gives young people in casual, part-time and semi-skilled employment, without formal qualifications, the opportunity to be registered as trainees and achieve a nationally recognised qualification. More than 1800 people have participated in the program to date.
- Expanded School-based apprenticeships and traineeships and introducing a mentoring program to assist apprentices and trainees during their studies.
- Increasing the school leaving age to 17 in 2008, while ensuring that students can pursue a range of options, including full-time study at school, study at a registered training organisation (including TAFE), study at university, enrolment in an apprenticeship or traineeship, structured workplace learning or employment.
- Creation of a Master Class of Trades, a higher level qualification designed to bring a level of excellence to the trades and act as an incentive to apprentices and young tradespeople.

- *Fast Track Apprenticeship program*, which has as its aim to lift the skills of experienced mature age people to trade skill level through an apprenticeship program delivered over a reduced time frame.

In the Northern Territory, a key priority for the Government is the education, training and employment outcomes of Indigenous Australians, predominantly located in remote regional and rural areas. Particular areas of focus include ensuring that the range of vocational education and training programs and school-based apprenticeships and traineeships available to secondary school students in regional and remote areas is expanded, and lifting the overall quality and quantity of the vocational education and training from the current focus on Certificate I and II level.

Under the *Workready* program, Northern Territory students undertake Year 11 or 12 subjects two days a week and attend vocational education and training courses one day a week and work for their employer two days a week.

The Victorian Government released its skills strategy, *Maintaining the advantage: Skilled Victorians* in March 2006.<sup>23</sup> The Strategy consists of four key components for a cost of \$240 million over four years:

- *starting earlier* – providing greater opportunities for students to participate in vocational education and training while at school (to Year 12);
- *learning longer* – encouraging people to develop skills throughout their working life by providing places for 35-64 year olds to access Certificate III training and above who do not have Year 12 or equivalent qualifications;
- *getting smarter* – opening employment opportunities that demand high-level skills by providing additional vocational education and training places in higher level qualifications; and
- *making it easier* - providing better information about career pathways and training opportunities and making the training system more responsive by establishing 'skills stores' to provide public access points for the vocational education and training system.

In March 2007, the Victorian State Minister for Skills, Education Services and Employment, announced a \$10 million program aimed at providing assistance to 15-19 year olds in regional and metropolitan Victoria who are not in formal education and training with finding work and training.

Most recently, the Victorian Government has committed \$50 million over the next five years to renew *tech wings* in government secondary schools. This includes:

- \$35 million for new state of the art tech wings at thirty government secondary schools; and
- \$15 million for equipment upgrades to all other government secondary schools to modernise existing trade classrooms. Examples of such new equipment could include computer aided drafting and computer assisted manufacturing equipment, robotics equipment and digital lathes.

This investment will not only support schools to increase vocational training in traditional trades and skill shortage areas but will make studying in these areas more attractive to students and relevant to industry with state-of-the-art facilities.

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<sup>23</sup><http://www.det.vic.gov.au/edulibrary/public/commrel/policy/MaintainingAdvantageSkilledVictoria/ns-pol-20060301.pdf>

In March 2006, the Queensland Government announced the *Queensland Skills Plan* to provide a policy framework to better match the supply of skilled labour to the demands and needs of industry and the economy.<sup>24</sup> The Skills Plan contains 24 specific actions covering vocational education and training needs of the State, industry and making vocational education and training more adaptable to the needs of the trades themselves.

State and Territory Governments clearly recognise the importance of a high quality vocational education and training system and more importantly its integration within the school system. This effort needs to be complemented by Commonwealth action to accelerate the transformation of school-based vocational education and training.

In 2004, the Howard Government announced that it would create 24 Australian Technical Colleges across Australia allowing students in the final two years of high school to finish their studies while working as apprentices. There are now plans for 28 colleges across the country, 21 of which are currently operating.

Australian Technical Colleges are for Year 11 and 12 students, who enter into a school based apprenticeship, at the Certificate III level. Students are also required to study academic subjects in order to attain a Year 12 certificate.

On the Howard Government's own estimate, approximately 8,400 students will be enrolled in ATCs when they are fully operational in 2009-10, at a cost to the Commonwealth of more than half a billion dollars.<sup>25</sup>

The Colleges are administered by the Commonwealth Government, bypassing the existing State and Territory based Technical and Further Education system and must offer teachers performance pay and Australian Workplace Agreements.

The network of Colleges was established without consultation with the States and Territories, and sits outside existing vocational education and training infrastructure leading to significant duplication and high levels of capital expenditure to build separate infrastructure.

This capital expenditure on new infrastructure facilities that will be available to only 8,400 students follows a decade of underinvestment in the national TAFE system by the Howard Government.

In 1997 federal funding for TAFE, which provides over 70 per cent of all vocational education and training in Australia, was cut. This resulted in Commonwealth vocational education and training revenues decreasing by 13 per cent from 1997-2000 and only increasing by 1 per cent from 2000 to 2004.

*TAFE Directors Australia* has identified that in terms of revenue expenditure, vocational education has fallen behind other education sectors in both aggregate terms and on a per student basis, despite it being the area that bears the greatest responsibility for skills, vocational education and training development for our workforce.<sup>26</sup> This has led to Technical and Further Education Institutes turning away 325,000 Australians since 1998.<sup>27</sup>

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<sup>24</sup> [http://www.trainandemploy.qld.gov.au/resources/corporate/pdf/pol\\_qldskillsplan\\_0306.pdf](http://www.trainandemploy.qld.gov.au/resources/corporate/pdf/pol_qldskillsplan_0306.pdf)

<sup>25</sup> Budget Paper No. 2 p121

<sup>26</sup> *An Innovation Platform for TAFE: Bridging City and Country Australian Skills*, TAFE Directors Australia 2006: 16-17

<sup>27</sup> ABS data – February/March 2006.

A positive aspect of the Australian Technical Colleges are their links with industry. Each Australian Technical College has a governing body chaired by local business or industry representative. This provides them with a measure of direct exposure to industry needs at the local level.

The Colleges have received a mixed response from many in the sector, with Peter Noonan, former general manager of the Australian National Training Authority, welcoming the concept of Colleges driven by industry, but saying they should take on a broader range of training programs, including pre-apprenticeship vocational programs, to ensure their sustainability.

One of the greatest challenges in the vocational education and training sector in Australia is the low completion rates for apprenticeships, which is approximately 60 per cent.<sup>28</sup> While the Howard Government has committed to providing bonuses to first and second year apprentices in the recent budget to improve completion rates, this does not address the issue of those dropping out in the later years of an apprenticeship.

The issue of completions needs to be addressed in the ATC model, especially with students taking on the added responsibility of completing their Year 12 certificate. If students are not able to drop back to a pre-apprenticeship level course if they find the workload too onerous, the drop out rate could be significant.

In an interview with Business Review Weekly, Noonan says he believes small enrolment numbers tied to a limited range of trade apprenticeships based on local demand won't provide the Colleges with a critical mass in the event of a downturn.

*The problem... is that it can be left high and dry if there aren't any employers there to take on apprentices.*<sup>29</sup>

Although the intention of creating dedicated technical colleges for secondary school students is a good one, it is a highly costly and duplicative system to that provided by existing State and Territory-based schools. It also does not have in built flexibility to account for changing circumstances of the students, employers or local industry.

Creating a separate layer of schooling funded and administered directly by the Commonwealth does not make public policy administrative or financial sense.

The Howard Government's 2007 Budget included a number of welcome additional investments in vocational education and training. However, after more than a decade of underinvestment in this area and a neglect of school-based vocational education and training Australia remains in the difficult position of trying to respond to a skills crisis rather than having anticipated and addressed it.

### **Commonwealth State agreement making**

Through the Council of Australian Governments (COAG) process the Commonwealth and the States and Territories have moved to a model of greater cooperation and mutual recognition of vocational education and training standards and qualifications.

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<sup>28</sup> NCVER, *Vocational education and training and young people: Last but not least*, 2007.

<sup>29</sup> Leo D'Angelo Fisher, *Slow Learners*, Business Review Weekly, January 18-24, 2007.

This has led to greater acceptance of the need for mutual recognition of skills and training qualifications, at the post-apprenticeship level and of the importance of school-based vocational education and training which:

- are integrated within a senior secondary certificate;
- encourage completion of 12 years of education as well as access to a vocational education and training (vocational education and training) qualification, as agreed in Australia's National Goals for Schooling;
- maximise choice and flexibility for young people; and
- are supported by industry.

The Commonwealth, States and Territories agreed that by 31 December 2006 relevant legislative, regulatory and educational barriers to school-based apprenticeships would be removed, as would any relevant industrial barriers to participation, with an emphasis on the following industries:

- metals and engineering;
- automotive;
- building and construction;
- electrotechnology; and
- commercial cookery.

These are important reforms, however given the rapid changes in our economy and the burden this places on our vocational education and training system, they are taking too long to implement.

The absence of national leadership in vocational education and training has tended to prevent the accelerated transformation of the vocational education and training system that is required.

The current Commonwealth-State Agreement governing vocational education and training has not provided the resources or scope to encourage State-based institutions to innovate, the Commonwealth response to skills shortages has been reactive rather than proactive and other problems which might have been addressed within a reinvigorated national system have been left to another day.

## Labor's Vocational Education and Training and Trade Skills in Schools Revolution

If Australia is to create a high skilled and economically secure future we need a revolution in vocational education and training.

Australia needs more skilled workers, through investing in our human capital to create a nation of highly educated workers with strong literacy and numeracy skills.

Creating a responsive, skilled and educated workforce will improve every Australian's chance of maintaining secure employment throughout their lives and

as a result, increase Australia's productivity and ability to compete in the global economic race.

To compete with other nations we must increase the proportion of young people who complete year twelve or its equivalent. We must also elevate the standing of vocational education and training above the traditional view that it is a second choice to become the equal first choice for all young Australians seeking a post secondary school qualification.

The first step in doing this is to increase the emphasis on and improve the quality and reputation of vocational education and training in all our secondary schools.

Providing high quality vocational education and training options in school will not only improve retention rates by encouraging students to pursue an apprenticeship or vocational qualification in school, it will also improve the perception of vocational education as a first class career choice.

The quality and level of qualifications available at our schools need to be raised. Vocational career paths need to be opened up to students before senior secondary school to encourage them to remain in school and gain a qualification that will secure their long term future instead of entering the semi skilled or unskilled labour market for short term reward and long term employment risk.

Along with earlier access to vocational opportunities, school infrastructure and facilities must reflect the importance of vocational education. State of the art workshops and skills centres, along with new models of senior schooling are important in engaging young people and encouraging them to remain in school.

Australia needs a truly national approach to vocational education in schools, not a symbolic commitment for a small number of students. All students who want a trade qualification should be able to get a headstart on their career as well as gaining a Year 12 certificate.

With 240,000 skilled vacancies anticipated by 2016, we need to mobilise as many young Australians as possible to complete school and to pursue vocational, skilled careers.

### **Labor's plan for a national school based vocational education and training system**

A Labor Government will invest more than \$2.5 billion over the next decade to lift secondary school retention rates and create a national system of high quality vocational education and training opportunities in Australian secondary schools.

#### ***Lifting school retention rates***

Improving school retention is critical to lifting the lifelong employment and earning potential of our next generation.

It is also key to lifting productivity and workforce participation, which deliver economic prosperity.

Access Economics has calculated that if the Australian workforce had just 0.15 years of extra education and training, achieved by an increase of 50,000 students staying at school or in apprenticeships, we could increase productivity in the

Australian economy by 0.62 per cent and economic growth by 1.1 per cent by 2040.<sup>30</sup>

Access also estimates that raising Year 12 completion rates to 90 per cent would add around \$9 billion to GDP by the year 2040 and that the cost, in additional educational expenditure, would be only one twentieth of the increased GDP.<sup>31</sup>

Individuals who fail to complete a secondary school education experience significant disadvantage in the labour market. In Australia, the incidence of unemployment among those who have failed to complete Year 12 or its equivalent is more than double those who have.<sup>32</sup>

After strong growth in retention rates between 1980 and 1992, Australia's secondary school retention rate has stalled at around 75 per cent.<sup>33</sup>

There is a gap in the retention rate between boys and girls.

For Indigenous young people, the difference is alarming.

We can and must do much better by our children and our nation.

That is why Labor is committed to lifting secondary school retention rates from 75% to 85% by 2015 and to 90% by 2020.

Labor is also committed to closing the gap between the school retention rates of Indigenous young people and other students over this period.

We aim to achieve year on year improvement in the rate of young Indigenous Australians completing a school education.

A range of new policy initiatives will be required to achieve these ambitious targets. Labor has already announced a series of policy proposals which are designed to contribute to our goal of raising school retention rates including:

- \$450 million for a year of preschool for all four year olds;
- \$200 million for 260 new childcare centres on school sites;
- a National Literacy and Numeracy Action Plan; and
- a National Curriculum for English, Maths, the Sciences and History.

In all, more than half a billion dollars of educational investment has already been committed to help lift our secondary school retention rates and provide better opportunities for our children.

But we must do more than just ensure a greater number of students attain year 12 qualifications or their equivalent. Our goal must be to also ensure quality retentions, that is students who remain at school because they are engaged and achieving good results in education and vocational subjects and have good literacy and numeracy skills to equip them for success in the workforce.

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<sup>30</sup> Access Economics, *The Economic Benefit of Increased Participation in Education and Training*, 2005.

<sup>31</sup> Access Economics, *The Economic Benefit of Increased Participation in Education and Training*, 2005.

<sup>32</sup> Sweet, Richard: *Education, training and employment in an international perspective*, presented at a Brotherhood of St Laurence Seminar on New Transitions: Challenges Facing Australian Youth, Melbourne 18 August, 2006.

<sup>33</sup> Australian Bureau of Statistics, *Schools Australia*, 2006

**School-based vocational education and training**

Commencements in school-based apprenticeships and traineeships have more than quadrupled since the introduction of School-based Apprenticeships in the late 1990s.

According to the National Centre for Vocational Educational Research, participants engaged in school-based apprenticeships are generally enrolled in lower-level qualifications.<sup>34</sup>

Around 75 per cent of all school-based apprenticeships undertaken are at the Australian Qualification Framework (AQF) Certificate II level recognising basic vocational skills and knowledge, with less than 25 per cent being undertaken at the higher and more rigorous Certificate III level.<sup>35</sup> A small number are at both the basic Certificate I level, with virtually none at the more technical Certificate IV level.

**Trades Training Centres in Schools Program**

A Federal Labor Government will provide up to \$2.5 billion in capital funding over the next decade to build new trade centres in all Australia’s 2,650 secondary schools.

Labor’s *Trades Training Centres in Schools Program* will focus on providing state of the art trade workshops, information and communication technology facilities and equipment to promote the teaching of vocational education for students in Years 9, 10, 11 and 12 in Government, Catholic and Independent Secondary schools.

The aim of establishing *Trades Training Centres in Schools* is to create a stimulating educational and training environment that prepares young people for vocational education and training and work and encourages them to remain in school.

Schools will be able to apply for capital funding of between \$500,000 and \$1.5 million to build trade workshops, computer laboratories and other facilities to enhance the vocational education and training experience of young people. They will also be able to use funds to upgrade capital equipment.

Schools in close proximity seeking to share *Trades Training Centres in Schools* facilities will be allowed to pool capital funding to create School Trade Precincts.

**Examples of capital projects that could be funded under Trades Training Centres in Schools**

Capital facilities	Equipment
Metal workshops	Drills
Commercial kitchens	Grinders
Automotive workshop	Wood and Metal turning Lathes
Plumbing workshop	Ovens
Graphic Design laboratories	Soldering and Welding equipment
Computer Laboratories	Safety equipment

<sup>34</sup>NCVER, *Australian vocational education and training statistics: Apprentices and trainees 2005—Annual*: 10

<sup>35</sup>NCVER, *Australian vocational education and training statistics: Apprentices and trainees 2005—Annual*: 10

Proposals to build workshops in partnership with industry skill and training centres and TAFE institutes will also be favourably considered and encouraged.

Funding will be determined on an application basis to the Commonwealth Department of Education.

Schools applying for funds under the program will be required to establish a case for funding based on unmet demand and/or the age of their current facilities. Detailed program guidelines will be developed by the Commonwealth Department of Education and provided to State and Territory Governments, Catholic and Independent school sectors.

In return for accepting *Trades Training Centres in Schools* capital assistance, State and Territory Governments will be required to maintain existing effort, and match the provision of capital assistance with high quality vocational education and training programs. Labor will also negotiate with State and Territory Governments to lift their overall investment and improve the quality of school-based vocational education and training. This additional effort will focus on:

- **Quality vocational education and training teachers:** additional training to ensure that suitably qualified teachers are employed and equipped to address the needs of individual students engaged in vocational education and training coursework;
- **Early access to vocational education and training:** a commitment to increase the availability of vocational education and training programs for students in Years 9 and 10;
- **Stronger industry partnerships:** an increased commitment in conjunction with industry to deliver higher level training in schools, potentially to the Certificate III and IV level. This should include the provision of quality career advice and the allocation of adequate resources to meet the needs of students in those courses; and
- **Mentoring and support for at risk children:** to develop Individual Mentoring Plans which provide support for students at risk of dropping out of secondary school.

Labor will maintain established Australian Technical Colleges.

However, the management of Australian Technical Colleges will be transferred to State and Territory Government and Catholic and Independent school sectors to improve the coverage of vocational education training offered by schools nationally.

This will be done on a case by case basis through consultation with all interested parties and as contractual agreements allow.

These commitments come in addition to Labor's previous announcement of its *Local Schools Working Together* program, which provides \$62.5 million to fund the construction of shared facilities such as science labs, libraries, trade workshops and assembly halls between government and non-government schools.

### ***Better Links between Students and Industry***

In 1994, the *Australian Student Traineeship Foundation* was established as an independent industry-led body to promote quality workplace learning programs for senior secondary school students.

In 2001, the *Australian Student Traineeship Foundation* was renamed the *Enterprise and Career Education Foundation*. It was focused on developing relationships between schools and the business sector at a national level that lead to better communication, local partnerships and an understanding of industry needs.

Under the Howard Government, funding for the *Enterprise and Career Education Foundation* was approximately \$2.5 million per annum, a significant decrease from the nearly \$10 million per annum the *Australian Student Traineeship Foundation* received under Labor.

Labor will focus on providing students with relevant work placements and industry experience by renewing funding to the *Enterprise and Career Education Foundation* by \$8 million over five years to improve links between schools and industry, and develop innovative, high quality, relevant work and training programs for vocational education and training in schools.

Of the more than 220,000 students currently engaged in vocational education and training in schools programs, only 40 per cent are involved in some form of on-the-job training that provides an opportunity for students to:

- develop enhanced skills;
- allows them to see the practical application of the industry knowledge they are developing in the classroom; and
- makes graduates more attractive to potential employers when they leave school or training.

Labor will provide \$84 million over four years to enable interested secondary school students participating in vocational education and training in years 9 to 12 to access one day a week of on-the-job training for 20 weeks a year.

Payments of up to \$10,000 will be made directly to individual schools to broker on the job training or work experience.

Schools will have the option of pooling funding to employ a community coordinator to connect students with local businesses, or using the funding to strengthen existing arrangements and cover administrative costs.

They may also engage existing local community partnerships to establish and maintain training relationships with local employers.

### **Further work**

A nationally consistent, high profile vocational education and training program in schools is a key step towards ensuring Australia's future skills needs will be met.

Post secondary school training and the training and retraining of mature age and existing workers are also part of a comprehensive approach to Australia's training system, necessary to maintain a prosperous economy and provide a secure future for Australian workers and the business community.

These areas will be the subject of further detailed policy and costed election commitments.

**Labor's Commitment to Better Vocational Education and Training and Trade Skills in Australian Schools**

<b>Measure</b>	<b>Total: 2007-08 to 2010-11</b>
Trades Training Centres in Schools program	\$729 million
School grants for on-the-job training	\$84 million
Enterprise and Career Education Foundation	\$6 million
Total	\$819 million