

Baw Baw Latrobe
Local Learning and Employment Network Inc.



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Submission in response to the

Securing our future Economic Prosperity

Discussion Paper on Skills Reform

The Baw Baw Latrobe Local Learning and Employment Network has considered the Victorian Government's discussion paper *Securing Our Future Economic Prosperity* and has a range of concerns with the proposed reforms. As outlined in the discussion paper, the proposed reforms of the vocational education and training (VET) system is based on meeting four objectives:

- A boost in the numbers of individuals and businesses accessing training, leading to a big increase in the skills of Victoria's workforce;
- A VET system that engages more effectively with individuals and businesses and is easier to navigate;
- A VET system that is more responsive and flexible to the changing skill needs of businesses and individuals; and
- Creating a stronger culture of lifelong learning.

Baw Baw Latrobe LLEN supports these objectives but has some significant concerns with aspects of the proposals included in the discussion paper.

Question 1: If government supported training for all eligible Victorians were introduced, what should the eligibility criteria look like?

Baw Baw Latrobe LLEN believes that all eligible Victorians should have access to an initial post-school qualification and the opportunity to gain qualifications above those they already hold. However eligibility to supported training should not include an individual's ability to pay for training. Eligibility should reflect the needs of community, skills shortage areas and an individual's existing qualification level. All Victorians should have access to at least Cert 3 level without cost and easy, funded access to Cert 4 and Advanced Diploma levels.

Question 2: How could this proposal be marketed to encourage higher take up, particularly among Victorian who have never considered VET studies?

Baw Baw Latrobe LLEN considers that it is not through marketing alone that a higher participation in greater skills development will be achieved. It is through increased delivery standards of VET and greater access to high quality and higher level training that will have a greater impact on participation.

Greater priority given to the professional development and valuing of careers advisors in schools at a state level and meaningful resourcing of vocational training in schools will increase the perceived value of applied learning at that level. Success measures of schools do not yet adequately reflect the priority for vocational learning that is appropriate. There is still too much emphasis given to higher education pathways in schools.

Support given to young people in VET will greatly increase both participation and retention in training. The Gippsland Apprenticeship Research Project recently completed by Monash University in conjunction with the LLEN clearly demonstrated that a lack of support for young people in training is a major contributing factor to non-completion.

Question 3: What proportion of course costs do you think is reasonable for an individual or business to contribute?

Baw Baw Latrobe LLEN believes that prohibitive cost is the biggest deterrent to young people taking up training. The major beneficiary of training and skills development initially is industry, yet industry contribution to training has been low.

This discussion paper seems to suggest that there needs to be a greater contribution to the cost of training by individuals, however Baw Baw Latrobe LLEN believes that this alone would not meet the objectives outlined above. The lion's share of the cost of initial training should be covered by government and business and not by individuals.

Question 4: Is it reasonable to introduce higher fees for students for training courses that deliver higher individual benefits with improved employment opportunities?

In short, Baw Baw Latrobe LLEN believes very strongly that **it is quite unreasonable** to introduce higher fees to individuals.

Baw Baw Latrobe LLEN believes that higher fees would be quite a deterrent to participation and would not lead to increased participation in VET and therefore would fail to meet the objectives listed above.

Question 5: Should the government consider an income contingent loan scheme as currently applies to university education?

Baw Baw Latrobe LLEN considers that an income contingent loan scheme would be **a disincentive to participation** in training. This approach would place a burden on the individual. Industry and business needs to play a greater role in meeting its skills needs and look at a longer term strategy.

Question 6: How can the system be structured to produce a better match between the future needs of the Victorian economy and the training choices made by individuals and businesses?

Retention rates in both apprenticeship training and traineeships are quite poor. There are still too many instances of poor quality training and lack of reasonable support for those in training having a negative impact on outcomes. A significant influence in employer choice in relation to training seems to be cost rather than quality.

Baw Baw Latrobe LLEN believes that there needs to be greater monitoring of the performance of both training bodies, the training system and of those that should be providing support to young people. This should produce better outcomes in training.

Question 7: How can Government best support TAFE and ACE providers to thrive in a more competitive environment:

Again, in short Baw Baw Latrobe LLEN believes that more appropriate funding for TAFE and ACE providers will increase outcomes. There are too many private providers that seem to be “picking the eyes out of the business” rather than having a more collaborative approach to the needs of a community. This is particularly obvious in regional areas where it has been demonstrated that collaboration rather than competition often ensures better outcomes in local areas.

Question 8: How can Government make its support for students undertaking training available in a way that encourages training providers to be more innovative, flexible and responsive to the needs of individuals and businesses?

There are some very good examples where training has become 'innovative, flexible and responsive' to the needs of individuals and businesses. However policy needs to ensure that the needs of the individual continues to be a high priority.

In regional areas access to all levels of training needs to be improved. Better access would improve student participation and therefore increase support for young people.

Question 9: In what ways can Government help individuals and businesses better understand and access the benefits of vocational education and training?

Baw Baw Latrobe LLEN believes that increased access to quality training at affordable costs (particularly in regional areas) will improve training participation and increases skills retention.

As stated in the discussion paper, a strength of the Victorian training system is its lower costs to the participants compared to other states. The training system, however has become too complex for both participants and employers. Increasing the financial barriers will not encourage young people to increase participation but is more likely be a disincentive.

Baw Baw Latrobe LLEN is strongly committed to ensuring increased participation in training both by individuals and employers. Industry needs to play a greater role in the provision of training and needs to make a significant investment in developing the skills required. Increased cost to individuals alone, even if an income contingent loan scheme were to be introduced, would be detrimental particularly in regional areas. Further consideration needs to be given to better supported access to training by equity groups and regional areas.

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Executive Officer

Baw Baw Latrobe LLEN