Vocational Education and Training (VET) Viability

Purpose Statement: To determine viability of the ANMF (Tas) Health Education and Research Centre (HERC) as a competitive VET provider based on environmental scan of the VET sector within Tasmania and Nationally, particularly relating to the health industry and the positions of TAFEs within the sector.

Scope: Research is to be focussed around the following questions:
1. Why are TAFEs not competitive and becoming less viable now?
2. What are the issues in securing trainers / educators, especially in the health sector but others in general?
3. What is the position of health organisations who take graduates?
4. Why are completion rates for certificate trade courses low and is it the same for the health sector (unlikely because of indemnity and health and safety but what is the drop out rate for health trainees?)
5. Where is the sector heading re: the use of health professionals and para-professionals?
6. What are the funding projections for health?
7. Health has very strong political relevance but it traded off with education and security at the moment. Is there any information on the political direction of health in Australia?
8. Any other info which can help HERC position itself in the broader health sector and where are the emerging trends – positive and negative?

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Executive Summary

The Vocational Education and Training (VET) sector is a challenging environment in which to stay competitive and relevant. Registered Training Organisations (RTOs) are placed amongst an increasing amount of training providers and face scrutiny by the public and various industry regulators (particularly following recent skills reforms) and uncertain funding provisions. In the current climate there is certain amount of expectation that RTOs need to ‘up their game’ or risk becoming untrusted, unpopular and unviable.

TasTAFE is dominant in the sector as it is the provider most affiliated, generally, to VET. TAFE has an array of qualifications and is able to deliver them at a reasonably low cost with the additional opportunity for government subsidy and access to VET Fee Help.

Private RTOs need to both compete with what is offered by TAFEs and stand out from the crowd with their training content and delivery in order to secure themselves in the market and be successful.

1. Viability and Competitiveness of TAFEs

TAFEs in Tasmania and across Australia, along with the VET sector in general, have faced criticism and scrutiny in recent times. This scrutiny has lead to reforms and changes within the VET sector.

Some of the issues that have been faced by TAFEs are:

- Rapid increase in private training organisations and open tender processes. According to the NCVER Australian Vocational Education and Training Statistics Financial Information 2014, from 2010 to 2013, payments to non-TAFE providers to deliver VET programs increased by 82.6%.
- Not being nimble enough to change to industry/workforce needs.
- Unfavourable scrutiny, including in the media, about the problems within the VET industry. Such scrutiny concentrated on questionable/misleading marketing practices, issues with the implementation of VET Fee Help and teaching quality concerns across sector. A ‘lack of confidence in the integrity of national qualifications being delivered by training providers’ was the single biggest issue identified across 140 submissions received in the Skills Australia, Skills for Prosperity, A Roadmap for Vocational Education and Training, 2011.
- Changes in learning trends such as favouring of apprenticeship/traineeships.
- A history of complexity within the TAFE system. A former model for two training providers (Tas Polytechnic and Skills Institute) was ineffective and led to disjointed pathways for students, fragmentation, duplication of efforts, resources and services, duplication of management structures, internal competition, financial problems, poor staff morale and loss of opportunities (as outlined in The Review of the Role and Function of Tasmania’s Public Sector Vocational Education and Training (VET) Providers Consultants’ Report, Virginia Simmons A.O., 30 April 2012).

TasTAFE remains the dominant VET provider in Tasmania, covering a vast array of qualifications, but there is a growing amount of private RTO competitors. Private RTOs such as HERC may be smaller in size, however smaller RTOs have the ability to secure and brand themselves within niche markets and have the potential to be more nimble and reactive to industry needs.
An advantage that TAFE may have over a private RTO such as HERC is their ability to keep costs down. For example, TAFE advertises that a Certificate I–IV will not exceed $1,600.00 ($300.00 for concession) whereas HERC’s total cost of a Certificate III course is $3050.00 ($350.00 for concession if funded position). So it suffices to say that for a private RTO such as HERC to remain competitive in a market where the predominant provider is offering a similar product at less cost to the consumer, HERC must build a reputation for quality that matches the higher price. Critics could argue that ‘you get what you pay for’ with a lower cost product but interestingly, according to the NCVER Australian Vocational Education and Training Statistics, Government-funded Student Outcomes 2015, satisfaction with TAFE and other government providers rated slightly higher than private providers (88% satisfaction for public providers and 85.3% for private providers). So it should not be assumed that TAFEs’ low cost service has a low standard product.

2. Working as Educators or Recruiting Educators in the VET Sector

The market for VET educators could be described as ‘limited’ to a certain degree as prospective educators need to have first-class industry knowledge and experience coupled with the appropriate teaching qualifications and desire to work in the VET sector. Having appropriately qualified educators within the sector has come under some scrutiny during recent VET reforms. Ensuring the educator roles are filled with candidates that possess the appropriate pre-requisites and qualifications is an expectation placed on RTOs to ensure the best quality training delivery and outcomes for students and improving perceptions relating to lack of training quality.

The VET education workforce has been described as ‘a highly casualised and vulnerable teacher workforce, particularly in private providers of VET’ (Independent Education Union (IEU) Victoria Tasmania, Victorian Education and Training Funding Review Submission, 20 April 2015). The IEU in their Submission also estimate that only 15% of teachers in private VET are ongoing employees.

Another consideration for staff working in the VET sector is change fatigue, which can happen organisationally and individually due to regular funding level changes (difficult to plan and discourages investment).

3. Position of the Organisations who take Graduates

National Use and Satisfaction of Employers
Statistics highlighted in the NCVER Australian Vocational Education and Training Statistics, Employer’s use and views of the VET system 2015:

Employers’ use of the VET system in 2015
- 52.8% of employers used the VET system, similar to 2013
- 36.6% of employers had jobs requiring vocational qualifications, up 3.3 percentage points from 2013
- 24.3% of employers had apprentices and trainees, down 2.6 percentage points from 2013
- 20.6% of employers used nationally recognised training (that was not part of an apprenticeship or traineeship), similar to 2013.

Employers’ satisfaction with the VET system in 2015
• 76.2% of employers were satisfied that vocational qualifications provide employees with the skills they require for the job, similar to 2013
• 81.7% of employers were satisfied that apprentices and trainees are obtaining the skills they require from training, similar to 2013
• 84.0% of employers were satisfied that nationally recognised training (which was not part of an apprenticeship or traineeship) provides employees with the skills they require for the job, similar to 2013.

Links to Industry
The need for improved industry liaison is clear – the training delivered needs to be focused on what skills are needed within the workforce, which has been mismatched in the past and in some cases, still is. However, at the same time RTOs have indicated that it can be difficult to get industry involvement.

An initiative of the Department of Education and Training that has been developed to strengthen industry ties with VET is the ‘Skills Service Organisation’ (SSO) initiative, which provides a range of suitable organisations the opportunity to receive funding to provide independent, professional enabling activities to support created Industry Reference Committees to review and develop training products, including training packages. The funding will be provided through a competitive grants process under the New Arrangements for Training Product Development for Australian Industry Programme. Under these new arrangements, training package development should be more responsive to industry needs and industry will lead and be responsible for determining how and when training package content is updated.

Expressions of Interest for SSOs closed in August 2015 and are being considered and evaluated. Industry Reference Committee’s are also still being finalised but early indications imply that the Committee most relevant to HERC would logically be the ‘Government and Administration, Health and Community Services, Service Industry and Public Safety and Security’ grouping. RTOs cannot be SSOs.

Capacity of the Workforce
The Community Services and Health Industry Skills Council Environmental Scan 2014 Survey Results: A Summary states that 76% of respondents were concerned that the VET system would not be able to supply the number of skilled workers required over the next 10 years. Other significant key findings are as follows:
• There is a continued need to establish sustainable models of workforce development (92% of respondents agreed that sustainable workforce models that utilise both VET and University qualifications effectively was still a workforce development priority).
• The majority of survey respondents (67%) largely disagreed with the statement that the majority of new workers required to meet the changes in service demand should be University qualified.
• There is a need for qualifications and pathways that recognise common skills across similar sectors in health and community services.
• 94% of respondents indicated that there is a need to develop management and leadership skills in health and community services as a key workforce development priority.
• The emerging/current shortages (according to over 200 respondents) were;
  1. Disability Support Workers
  2. Aged Care
  3. Personal and Home and Community Care Workers
  4. Registered Nurses
5. Managers
6. Enrolled Nurses and AINs

- Regarding the future direction of training packages, survey respondents indicated a continued need for qualifications and skill sets that:
  - Support development of leadership and management skills
  - Support the development of skills required for client-led care
  - Promote career pathways across similar sectors

Other potential future directions for training packages were also identified as:
- Financial management knowledge and skills
- IT skills
- Teaching and training skills
- Knowledge of disease prevention and health promotion
- Knowledge of advances in health treatments
- Skills to support more generalist roles
- Diversity awareness

4. Completion and Attrition

According to the NCVER Australian Vocational Education and Training Statistics, Government-Funded Student Outcomes 2015, approximately 85% of graduates undertake training to get a job, 4% to get into another course of study and 11% for personal development. Approximately 70% of VET graduates gain employment following qualification.

Further, the top three reasons for students not continuing training (based on government funded student data) was:
1. ‘personal reasons’ (33%)
2. ‘training related reasons’ (22%) (i.e. started other training (3%), no longer related to plans (7.5%), wasn’t what was expected (9%), or not flexible enough (2.6%)
3. ‘Got what they wanted from the training’ (21.2%)

It is assumed that ‘personal reasons’ relating to personal circumstance not related to the training and ‘training related reasons’ indicate poor role fit for the course or the course is not what was expected. ‘Getting what they want’ from the training may suggest that they were there of their own or their employer’s behest to learn about particular skills only rather than complete the entire qualification.

5. The Future for Health Care Professionals

Challenges faced by health care professionals now and into the future include:
- Technological/system changes – upskilling for new tech and systems
- Changing expectations including increasing demand for non-routine analytical and interpersonal skills
- Competing financial and economic priorities and forecast workforce shortages
The ageing population - The significant aging population in Tasmania means more cases of chronic disease (as discussed in the *Tasmania Strategic Workforce Discussion Paper 2013*). The aging population also increases aged care demands and brings about the need to replace a retiring workforce.

Change in employment share sees health care and social assistance increase, as industries such as manufacturing and retail decline (*Australia’s Skills Reform Journey, The Case for VET Reform and Progress To-Date, Acil Allen Consulting, September 2015*, Fig 2, Page 5).

The *AHHA Primary Health Network Discussion Paper Series: Paper 5, Page 2*, suggests the key elements of proposed solutions to challenges faced, as identified in major studies are:

- Consumer driven care
- A move from acute models of care to a community driven population and primary health care approach
- Emphasis on expanded scope of practice and generalist roles
- Use of technology, role redesign and greater flexibility and inter-professional training
- Improved distribution of the health workforce particularly to rural and remote areas and populations of extreme disadvantage
- Increased rates of Aboriginal and Torres Straight Island people in the health workforce.

### 6. Funding Projections and Political Direction for Health

#### State Government

The Tasmanian Government’s vision for Tasmania is to have the healthiest population in Australia by 2025. The *Healthy Tasmania Five Year Strategic Plan Community Consultation Draft, December 2015*, indicates that Tasmania will be making a significant investment in preventative health (smoking and obesity being the two key priority areas) and the health literacy of Tasmanians.

Further, prominent health related items in the 2015-16 State Budget included $100 million for frontline services over four years (although critics argued that that was from lessening the impact of savings in each financial year by $25 million), Cancer Centre funding, funding for positions with Child and Adolescent Mental Health, initiatives to address drug problems (particularly ‘ice’), hospital infrastructure and family violence.

The ‘*One State, One Health System, Better Outcomes*’ reform commenced in 2015 with the focuses being on the role of one Tasmanian Health Service (as of 1 July 2015), improving efficiencies, closing service gaps in clinical services and defining the major hospital’s roles in the system.

#### Federal Government

The Federal budget’s health focus areas are on ‘strengthening’ Medicare, improving the ‘electronic health record system’ for Australians, access to medicines, medical research, aged care reform, improving immunisation levels, mental health gaps and preventative health.
A key finding of the Community Services and Health Industry Skills Council Environmental Scan 2014 Survey Results: A Summary, was that there is a lack of clarity around Australia’s strategy for planning and developing the national health and community services workforce.

7. Conclusion and Recommendations

1. Private RTOs tend to be smaller and chose to deal in niche markets in order to secure their own place amongst competitors.

2. HERC has an opportunity to secure a place in the health education market but in order to do so it needs to offer everything that other providers (TAFE in particular) offer, and more, at a competitive price. This includes the same government subsidies and payment opportunities, such as VET Fee Help.

3. HERC has a unique opportunity to be more creative and innovative with health education via its Continuing Professional Development (CPD) delivery. CPD has an amount of curricular freedom to cover topics specific to industry and learner needs separate to (but generally complimentary of) the Certificate and Diploma qualifications.

4. Industry liaison is paramount in understanding workforce needs and should be a strategic priority. This research has found that industry want qualifications and pathways that recognise common skills across similar sectors, development of management and leadership skills and development of skills required for client-led care, however industry needs change and RTOs need to be nimble and keep pace with change in order to stay competitive.

5. Recruitment practices for educators need to ensure high standards across all aspects of teaching, including but not limited to the appropriate teaching qualifications and first-class industry experience. It should also be recognised that the private VET sector has a highly casualised teacher workforce and strategies should be taken that accept that as an industry norm or work towards retaining educators in ongoing employment. This could be influenced by appropriate workforce planning, the standard of positive workplace culture and professional development provided to educators.

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