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A Risky Business

Review of the Quality of
TASMANIA'S TRAINEESHIP SYSTEM

Kaye Schofield
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# PART B

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In May 1999, the Minister for Education, the Hon. Paula Wriedt, announced an independent review of the quality of Tasmania's traineeship system. The Terms of Reference required the review to:

- provide an overview of current arrangements relating to the quality of training for traineeships;
- investigate the effectiveness of current arrangements in assuring the quality of training outcomes for traineeships;
- identify issues relating to the quality of training and comment on the extent to which these issues are currently being addressed; and
- develop an action plan which integrates current and projected activities to ensure the quality of training for traineeships.

The full Terms of Reference are at Appendix 1.

The review draws on information derived from a range of sources.

- **Stakeholder consultations.** Ten consultation sessions were conducted both in Hobart and in Launceston in August and September 1999. A total of 63 stakeholders attended and contributed to one or more of these sessions. Stakeholders consulted are listed at Appendix 2.

- **Individual interviews.** Individual interviews were conducted with seven stakeholders with key statewide interests in the traineeship system and these are also included in Appendix 2.

- **Submissions.** Following a public call for written submissions, a total of 21 submissions were received. Those who made submissions are listed at Appendix 3.

- **Research Reports.** These included a number of recent reports commissioned by OVET as well as developments in the traineeship system in other jurisdictions.

- **Internal data and documents.** OVET has produced a range of relevant internal documents and these were reviewed. The DELTA database, which holds all records related to all apprentice and trainee agreements was interrogated, as was the national VET statistical collection, including AVETMISS data.

This report is organised in two parts. Part A provides an overview of the key issues related to the quality of Tasmania's traineeship system. Part B provides discussion on and proposals to achieve quality improvements.

Two Working Papers have been prepared and used to draw conclusions about trends and performance in Tasmania's traineeship system relevant to the question of quality. These are included at the end of the report.
The review was undertaken by an independent consultant, Kaye Schofield, between September and November 1999 with extensive assistance throughout from Adrian Howard.

I wish to thank in particular Therese Taylor and Adrian Howard for their important contribution throughout the review.

Daniel Albert and Rino Scavone of OVET’s Research Unit were especially helpful in providing data and I am most grateful to them for that.

I would also like to thank all those stakeholders and OVET officers who contributed generously by providing information, making submissions and attending consultations. Without this co-operative effort, the review would not have been possible.

Kaye Schofield

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## Abbreviations

<table>
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANTAL</td>
<td>Australian National Training Authority</td>
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<tr>
<td>ANZSIC</td>
<td>Australia and New Zealand Standard Industry Classification</td>
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<td>ARF</td>
<td>Australian Recognition Framework</td>
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<td>AVETMISS</td>
<td>Australian Vocational Education and Training Management Information Statistical Standard</td>
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<td>CBT</td>
<td>Competency Based Training</td>
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<td>DELTA</td>
<td>Tasmania's Contracts of Training database</td>
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<tr>
<td>DETYA</td>
<td>Department of Education, Training and Youth Affairs (Commonwealth)</td>
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<td>GTC</td>
<td>Group Training Company</td>
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<td>ITAB</td>
<td>Industry Training Advisory Board/Body</td>
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<td>NAAN</td>
<td>New Apprenticeship (funding) Approval Number</td>
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<td>NAC</td>
<td>New Apprenticeship Centre</td>
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<td>NTF</td>
<td>National Training Framework</td>
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<td>OVET</td>
<td>Office of Vocational Education and Training</td>
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<td>QERTO</td>
<td>Quality Endorsed Registered Training Organisations (Tasmanian-specific term)</td>
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<td>QETO</td>
<td>Quality Endorsed Training Organisation</td>
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<tr>
<td>RPL</td>
<td>Recognition of Prior Learning</td>
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<td>RTO</td>
<td>Registered Training Organisation</td>
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<td>STA</td>
<td>State Training Agency</td>
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<td>TAFE</td>
<td>Technical &amp; Further Education</td>
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<td>TAReC</td>
<td>Tasmanian Accreditation and Recognition Committee</td>
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<td>TASTA</td>
<td>Tasmanian State Training Authority</td>
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<td>TCCI</td>
<td>Tasmanian Chamber of Commerce and Industry</td>
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<td>TTAC</td>
<td>Tasmanian Training Agreements Committee</td>
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<td>TTAIS</td>
<td>Tasmanian Traineeship &amp; Apprenticeship Incentive Scheme</td>
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<td>TTLA</td>
<td>Tasmanian Trades and Labor Council</td>
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<td>VET</td>
<td>Vocational Education &amp; Training</td>
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Executive Summary

Introduction

Traineeships were introduced in 1986 to broaden the base of Australia’s structured entry-level training system for young people beyond the traditional apprenticeship system, thus providing new skill pathways into stable work for young people.

Together State and Commonwealth Governments invest some $20 million annually in Tasmania’s traineeship system through the purchase of training, the provision of financial incentives to encourage employers to employ a trainee and by providing a regulatory, quality assurance and contract management framework for it. In addition, investment by industry and by trainees themselves is also substantial, if not so readily quantified.

It is in the interests of all stakeholders in the public and private sectors, and especially the State government, that their investment in skills development yields high quality returns.

All organisations be they in the private or public sector should aspire to above-average performance. Although neither the data nor the methodologies necessary to draw precise conclusions about the quality of training in Tasmania’s traineeship system have been developed, the review’s overall indicative assessment is that the Tasmania’s traineeship system is of average quality. This is however no cause for complacency. Given its size, the nature of its training market and the generally productive relationships between stakeholders, Tasmania should and can be better than average.

Quality issues in Tasmania’s Traineeship System

The review has identified and then considered five broad issues affecting the quality of Tasmania’s traineeship system.

Training and assessment for quality learning

Measuring the quality of training and assessment in any form of training is a most imprecise science, still in its infancy in Australia and elsewhere. Customer satisfaction is one helpful but not totally valid measure. To the extent that it can be determined from available customer satisfaction data, training quality in Tasmania does not appear to have been traded off for traineeship quantity. The majority of customers – both employers and trainees – are reasonably satisfied with most aspects of traineeship training.

However, for some aspects of training, employer and traineeship dissatisfaction levels are a cause for concern. Areas of particular concern include the level of employer dissatisfaction with the method of training delivery (17.4%); that trainees are slightly less satisfied than apprentices

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1 Introduced on the recommendation of the Commonwealth Committee of Inquiry into Labour Market Programs (1985), known as the Kirby Inquiry.
with the ability of their trainers; that, although the numbers are small, 6% of trainees in non-TAFE RTOs expressed dissatisfaction with the relevance of the training program to their career choice as compared with 3.6% of trainees in TAFE; and that only 60.2% of employers indicate satisfaction with the relevance of the training to their organisation.

There is also some customer concern, revealed in the consultations, that traditional traineeships (and apprenticeships) are no longer valued in the way they once were and that a good deal of training delivery is inappropriate.

Stakeholder views on Training Packages can also be used as an indicator of quality. It is too early to draw conclusions about the extent to which Training Packages support quality workplace training – the transition from a course-based norm referenced system of training to a workplace-based competency referenced system is still underway and transitional difficulties are manifest. However, perceived variations in quality between different Training Packages suggest that not all Training Packages are supporting quality training and assessment as well as they should.

Assessment in traineeships (and apprenticeships) has become a lightning rod for stakeholder concerns about declining quality. Some of these concerns reflect transitional difficulties. A current study in Queensland suggests that widely-held concerns about inconsistency in assessment may be illusory, reflecting the consequences of a competent/not competent assessment system rather than a system which allows graded assessment. Other concerns about the extent to which valid, reliable and ethical assessment practices are being universally applied are substantial and require attention.

However, concerns about quality in assessment cannot be surgically removed from concerns about training methodologies – quality vocational learning requires methodologies in which training and assessment are treated as interactive processes throughout the period of training.

In some States and Territories, concerns about quality have been positively correlated with delivery of some fully on-the-job traineeships. In principle, Tasmanian stakeholders have no objection to fully on-job traineeships IF quality training is delivered. Many believe that this does not always happen in practice. These views appear to be supported by survey findings. However, the negative consequences for training quality experienced in some other jurisdictions have been moderated in Tasmania by an astute decision to limit government purchasing under User Choice of the Small Business Traineeship.

On a positive note, there appears to be a growing interest amongst some Registered Training Organisations in differentiating themselves in the marketplace on the basis of training quality. This may have an overall positive impact on the training market dynamic in the medium term and should be actively encouraged.

**Management and administration to ensure quality**

A number of weaknesses are evident in the management of Tasmania's traineeship system which undermine quality and increase exposure to risk.

The very rapid growth in the number of traineeship commencements and training agreements, in the number of Registered Training Organisations seeking initial registration under the
Australian Recognition Framework in Tasmania and in the number of Registered Training Organisations contracted through User Choice have stretched existing resources beyond their limits. Under User Choice arrangements, contract management has become a major administrative task and a major cost factor.

These effects are not unique to Tasmania.

The impact of very rapid growth on planning and management systems has been exacerbated by multiple complex changes arising from the National Training Framework. In short, the Tasmanian system is in survival mode, not in a solid planning and management mode.

Resources have been directed to dealing with the urgent operational implications of growth and fundamental training system changes and have not been made available to allow for a more strategic approach to planning and managing of the traineeship system.

Specifically, resources have not been made available for audit and verification activities in relation to the practices of Registered Training Organisations, to the implementation of training agreements or to assessing whether training delivery under User Choice contracts conforms to contractual specifications. Quality assurance principles have been pursued without due regard to the complementary need for quality control.

Until systematic auditing and verification takes place, there is simply no firm evidence one way or the other to support the contention of insufficient training or poor quality training in the traineeship system.

A quality traineeship system needs to be underpinned by good quality management systems. Investment in the development of good management systems and business processes has not been adequate to support a significantly enlarged, more competitive and more complex market for traineeships.

The absence of good performance management systems derived from well-designed databases which gather data relevant to the needs of management and from strategic audit or review activities is a cause for serious concern, indicating that risk is not currently well managed in Tasmania's traineeship system. In the absence of good quality performance information, firm judgements about the quality of training are difficult to make.

Completion rates are a further tangential indicator of quality. Completion rates for traineeships in Tasmania are better than the national average. Nevertheless, non-completion rates, at 30%, remain unacceptably high. While factors contributing to non-completion are multiple and complexly inter-related, trainee unhappiness with training is a factor contributing to non-completion. There is clearly much work to be done to increase completion rates and ensure that poor quality training is not a contributing factor.

Managing the market for quality outcomes

As with other traditional monopoly industries such as telecommunications, opening up the training market to greater competition has caused some stakeholders to assume that competition per se has reduced training quality. However, the review found no evidence of this. It would be an especially difficult conclusion to draw for two reasons. First, traineeship training has been
provided through a form of competition and user choice since the introduction of the first traineeships in 1986. Second, the quality of training under any previous monopoly conditions was never externally assessed, simply assumed, so a valid basis for comparison does not exist.

The further opening up of the traineeship market to competitive forces seems to have been well managed in Tasmania, avoiding many of the problems which often arise in the transition to a more market-oriented system.

However, the review has identified three particular issues emerging in relation to the operation of the Tasmanian training market which do warrant closer scrutiny – information to the market place, prices paid by government and the role of government incentives.

Information to and communication within the training market is not yet as good as it needs to be to ensure the market can operate efficiently. This is one of the most fundamental roles of government in relation to the training market. Employers appear to be confused about the source of information about traineeships under current arrangements. They need simple and speedy ways of getting information about financial incentives, about their training obligations and about employment aspects of traineeships including award rates of pay. Many trainees wish they had more complete information before they became trainees – a wish that could perhaps be linked to the rates of trainee non-completion. In a survey of 223 trainees, 22% indicated that getting information on traineeships was a barrier to starting a traineeship.

The majority of Registered Training Organisations consulted by the review suggested that prices paid by OVET under User Choice purchasing provide insufficient incentive to deliver quality training. However, there is no clear evidence that the price the Tasmanian government pays for traineeship training under User Choice is restricting or driving down the quality of training.

Government financial incentives play a key role in the traineeship market, influencing the behaviour of all market players in both intended and unintended way. Where such incentives are an inducement to employers to sign-up trainees without a concomitant commitment to their training, quality has been substantially undermined. The Tasmanian Traineeship and Apprenticeship Incentive Scheme emerged as a particular issue during the review. Doubts have arisen as to whether this $4.1 million per year investment by way of financial incentives to Tasmanian companies to employ a trainee is currently being used to best effect to maintain and improve the quality of training.

Regulating for quality training

Traineeship (and apprenticeship) regulation is intended to protect the rights and enforce the obligations of both parties to the training agreement, that is, employers and trainees. One of the rights of trainees is to receive quality training and one of the obligations of employers is to ensure that quality training is provided. This review has serious doubts whether the current regulatory arrangements are helping Tasmania to achieve this goal.

The regulatory roles assigned to TASTA, its committees and to OVET have been consciously reduced in light of resource constraints. Available resources have been re-directed to dealing with initial registration of training organisations, contract management under User Choice and administrative processing the flood of training agreements induced by the previous policy of the
Commonwealth government in relation to offering financial incentives to sign-up existing workers as trainees.

New legislation is planned to provide a stronger legislative base for government monitoring and auditing of training agreements and to provide for stronger sanctions. However, unless resources are applied to enforcing the legislative changes, these will have minimum effect in improving quality in the traineeship system.

Perceptions of conflict of interest and unethical practice in the traineeship system remain strong in Tasmania. Terms such as ‘conflict of interest’ or ‘rorts’ are used loosely, incorrectly and inter-changeably to refer to a bundle of unspecified business practices which the majority of stakeholders in the training market wants eliminated. The failure to distinguish between illegal activities, unethical activities and smart business practice, together with the failure to establish an adequate auditing regime make it difficult to verify or dismiss market perceptions.

The Tasmanian Government has not put enough effort into articulating what is corrupt, fraudulent or unethical practice, into creating a climate in which such practices are unacceptable in the training market, establishing systems for identifying such practices or effectively enforcing powerful sanctions where such practices are proven.

**Policy to support quality**

The review identified a number of aspects of Tasmania’s traineeship system which require a sharpened policy focus.

It is a reality that the primary although not exclusive interest of the Commonwealth government lies in the employment objectives of New Apprenticeships. For the State government, the primary interest needs to be in the skills development objective. The State Government needs to clarify and make explicit the returns it expects from its own investment. This policy clarity is a necessary pre-condition for judging quality in its widest sense within the traineeship system.

In particular, greater policy clarity is needed on the purposes of traineeships and on School Traineeships. Greater policy clarity and co-ordination is also needed at the interface between VET and Tasmania’s Industry Development Plan.

**Future Directions**

Tasmania’s traineeship system currently represents an area of high risk to government.

The fundamental weakness in Tasmania’s traineeship system identified by this review is the absence of a comprehensive, effective and credible approach to risk management by government. This does not mean there has been no risk management, but that risk has not been managed in a systematic way to achieve above-average performance nor to ensure appropriate levels of accountability for expenditure of government funds.

Risk management needs to be the central organising idea underpinning a strategy to improve the quality of Tasmania’s traineeship system over the next few years.
Unless risks are more systematically identified, analysed, evaluated, prioritised, treated, monitored and communicated, significant and sustainable improvement in the quality of the traineeship system is highly unlikely.

Three key areas of risk to the quality of Tasmania’s traineeship system have been identified: commercial and legal compliance, training and assessment practices and policy, and planning and information systems. The review proposes that these three areas form the strategic framework which need to be pursued in Tasmania to improve the quality of traineeship training over the next two years.

**Commercial and legal compliance**

Notwithstanding the long-term benefit of quality management processes, compliance monitoring and auditing plays a vital part in fostering a commitment to quality training and is essential to managing risk.

Greater emphasis on compliance issues over the short to medium term does not imply that compliance will automatically deliver improvements in the quality of training. Nor does it imply the need for additional regulation or compliance requirements. Rather, what is needed is assurance that existing regulatory or contractual requirements are being met.

A holistic approach to the improvement of the quality of training necessarily involves a strategic balance between a focus at the front-end of traineeships on quality management; a restrained, targeted and rigorous approach to audit, monitoring and review over the life of a traineeship; and audit and verification activities at the back-end of the traineeship system when vocational learning outcomes should be evident. It also requires a strategic balance between supporting and encouraging Registered Training Organisations and employers of trainees to self-regulate for quality training on the one hand and enforcing existing regulatory and contractual obligations on the other.

The emphasis placed in this review on compliance reflects the need to deal with existing gaps in the current approach to achieving quality in traineeship training. The result should be a more balanced approach overall.

The quality of training in Tasmania’s traineeship system needs to be strengthened by a cost-effective and integrated program of compliance auditing spanning compliance with the Australian Recognition Framework, with User Choice contracts, with Training Agreement regulations and also with other service agreements and protocols.

To maintain confidence in the traineeship market, the Tasmanian government needs to take a leadership role with industry in ensuring that the traineeship system is free of both fraudulent and unethical business practices. The former requires a compliance emphasis while the latter requires a performance improvement approach and building commitment to self-regulation in the interests of an efficient and effective training market.
Training and assessment practices

There is no unequivocal evidence that can indicate whether the quality of training processes or assessment of trainees in Tasmania is poor or good. Nevertheless there is sufficient stakeholder concern and anecdotal evidence to indicate that significant improvement is needed.

Improvement strategies will need to focus both on building a climate in which good practice training and assessment is actively promoted and valued and on protecting the integrity of national delivery and assessment standards through judicious and cost-effective audit and review.

Policy, planning and information systems

Integrated policy, planning and information systems along with risk management provide the foundation for improving the quality of the traineeship system.

Quality management information systems must underpin policy and planning in the traineeship system. Considerable work will be needed to achieve this goal. Business objectives need to drive the scope and detail of data collected and how that data is analysed, interpreted, publicly reported and used for policy and planning purposes.

Planning systems for traineeships need to allow for better targeted investment and closer alignment of traineeships with Tasmania’s economic and social priorities. The interface between OVET’s planning processes and those of the Department of State Development needs to be actively managed for quality improvement.

Given major changes to traineeship delivery in recent years, there is a need to revisit the basis on which User Choice prices are set.

There is also a need to consider the long-term sustainability of the contracts of training system, having regard to the fundamental changes in the human resource strategies of companies arising in the new economy. Work/study combinations continue to be valued by both employers and trainees and are widely regarded as one of the best ways to ensure quality vocational learning. The challenge for the longer term is to consider how innovative work/study combinations more suitable to the complexities of the post-industrial economy could be developed to serve the economic and social needs of Tasmania.
List of Recommendations

Recommendation 1.
TASTA and its committees should work together to develop and implement a comprehensive and integrated strategy for managing risk in Tasmania’s traineeship system, with particular attention to the risks to the quality of training delivery and assessment and non-compliance with commercial and legal agreements. The risk management strategy should be implemented from no later than April 2000.

Recommendation 2.
TASTA, TAREC, TTAC and OVET should work together to develop an integrated and cost-effective strategic audit and review program for the traineeship (and apprenticeship) system in Tasmania, having regard to the analysis of risk arising from Recommendation 1. This Tasmanian Traineeship Audit and Review Program should be implemented no later than June 2000. It should aim achieve a sound balance between compliance auditing and strategic monitoring and evaluation and should have both accountability and performance improvement objectives. Appropriate resources should be made available to OVET to ensure this program is implemented.

Recommendation 3.
Independent auditors should be drawn from both industry and from OVET and should be thoroughly trained in audit procedures and practices.

Recommendation 4.
Following a rigorous risk assessment of the responsibilities within its charter, TTAC should include in its component of the Tasmanian Traineeship Audit and Review Program:

a) a special-purpose audit of compliance with the Training Agreement under the VET Act; and
b) regular monitoring and review of training agreements in workplaces by training consultants.

Recommendation 5.
Within the framework provided by the Tasmanian Traineeship Audit and Review Program developed under Recommendation 2, TAREC’s auditing program for compliance with the ARF should pay particular attention to RTO compliance with the ARF Standard C7, Ethical Marketing and Advertising.

Recommendation 6.
In partnership with ITABs, TASTA should prepare, widely distribute and consult on a Discussion Paper on business ethics in the Tasmanian training market, with particular reference to ethical dilemmas and expected standards in the traineeship system. Responses to the consultations should guide decisions on what further action, if any, may be required.
Recommendation 7.
In partnership with ITABs and DETYA (Tasmania), OVET should sponsor a state-wide forum involving NACs, RTOs and sign-up agents, to identify ways in which better quality market information could be provided to trainees and employers in Tasmania, having regard to the need for ethical marketing practices.

Recommendation 8.
TAReC, by virtue of its quality assurance role, and in partnership with ITABs, should establish an Assessors' Forum in Tasmania and support it for a period of two years. This Forum should explicitly foster greater professionalism and ethical practice in workplace assessment and a climate conducive to self-regulation by encouraging assessors to:

a) share assessment strategies and tools;
b) participate in voluntary assessment moderation activities; and
c) consider and create best practice examples of workplace assessment.

Recommendation 9.
TTAC should incorporate into its audit and review activities within the Tasmanian Traineeship Audit and Review Program an investigation of traineeship non-completions, especially where training-related issues are identified as contributing to non-completion.

Recommendation 10.
OVET and DETYA (Tasmania) should establish a Joint Working Group to identify ways in which non-completion rates in Tasmania's traineeship system could be reduced and report on options for action by June 2000.

Recommendation 11.
The Tasmanian government should affirm that the primary purpose of the traineeship system is to develop the Tasmanian skills pool through investment in employment-based training programs at all skill levels for new entrants to the labour market in those areas where there are significant skill shortages and in industries with potential for growth.

Recommendation 12.
TASTA and OVET should work collaboratively with the Department of State Development to:

a) identify ways the planning process for traineeships can be made more responsive to the economic and social priorities of government; and
b) consider the way the Tasmanian Traineeship & Apprenticeship Incentive Scheme could be most productively used to provide support for quality training and skills development.

Recommendation 13.
Until such time as a more explicit framework for VET in Schools in Tasmania is in place, expansion of the School Traineeship program should not be explicitly encouraged, although local decisions to implement School Traineeships should be supported.
**Recommendation 14.**
OVET should enter into a benchmarking project with other State Training Agencies with a view to developing and publishing annually a report card on the performance of Tasmania's traineeship (and apprenticeship) system. The first Traineeship Report Card should be issued in December 2000.

**Recommendation 15.**
In the first half of 2000, OVET should conduct an internal analysis of the impact of the introduction of Training Packages on its pricing mechanisms to inform its price-setting arrangements for 2001.

**Recommendation 16.**
During 2000, OVET should initiate a wide-ranging dialogue with companies in Tasmania about different ways available training funds could be used to encourage additional company-based work/study combinations which are not necessarily regulated through the contracts of training system.
Traineeships were introduced in 1986\textsuperscript{2} to broaden the base of Australia's structured entry-level training system for young people beyond the traditional apprenticeship system, thus providing new skill pathways into stable work for young people.

There are three stand-out trends in Tasmania’s traineeship system: the enormous recent growth in traineeship commencements; the rapid rise in the number of existing workers becoming trainees and, related to this, an ageing trainee profile.

The traineeship market has grown more complex in every respect in recent years. There has been a pattern of:

- increasing demand (partly but not entirely driven by the policy of permitting existing workers to access traineeships);
- an increasing number and variety in the suppliers of training; and
- expansion of competitive funding through User Choice to support traineeships (and apprenticeships).

The introduction of User Choice (and other competitive mechanisms) has required the government to make judgments about the nature and size of the Tasmanian training market to ensure that it is progressively opened up, but in a managed way.

These fundamental changes in the operating environment for traineeships, occurring alongside the introduction of the Australian Recognition Framework and the shift from course-based training to competency-based training through the use of Training Packages, have placed enormous strain on Tasmania’s traineeship system.

It is in this volatile context that many stakeholders have become increasingly anxious about quality and fearful that quality training is being eroded by policy-driven growth – that the traineeship system is being driven by quantity not quality.

State and Commonwealth Government investment in the traineeship system is substantial. Together they invest some $20 million annually in Tasmania’s traineeship system through the purchase of training, the provision of financial incentives to encourage employers to employ a trainee and in providing a regulatory, quality assurance and contract management framework for it.

\textsuperscript{2} Introduced on the recommendation of the Commonwealth Committee of Inquiry into Labour Market Programs (1985), known as the Kirby Inquiry.
The State government is justifiably concerned to ensure that the returns on the investment are substantial and consistent with government objectives.

OVET has already identified a range of ways in which the traineeship system needs to be strengthened and is currently implementing or planning a range of actions designed to improve quality and ensure accountability. This report is about what additional actions are necessary to maintain public confidence in the quality of the traineeship system.
This first part of the report presents the key issues relevant to the question of quality in Tasmania's traineeship system. These issues have been identified through analysis of available quantitative and qualitative data derived from a range of sources – submissions, consultations, interviews, data analysis and interpretation and desk research. The overall analysis has however been limited by the quality, quantity and scope of relevant data available to the review.

Consideration of what needs to be done is left until Part B.

The key issues identified and considered in this part of the report fall into five broad groupings:

- Training and assessment for quality learning;
- Management and administration to ensure quality;
- Managing the market for quality outcomes;
- Regulating for quality training; and
- Policy to drive quality.
1.1 Introduction

Vocational learning is at the heart of the traineeship system and is its most fundamental outcome. In the absence of structured vocational learning, traineeships become unstructured work experience programs, more efficiently offered outside the contract of training system.

Therefore, the fundamental test of quality of the traineeship system is the vocational learning which results from a traineeship. This learning must be substantial and relevant:

- for the individual trainee who wants to gain skills for a career pathway;
- for the employer who wants to gain a productive and skilled employee; and
- for the government whose investment is based on the public good of broadening and deepening the skills base of the Tasmanian community.

The issuance of a VET qualification is the public verification that vocational learning has occurred to the level specified. Public confidence in the integrity of the VET qualification is essential.

Determining whether traineeships in Tasmania (or elsewhere) are resulting in vocational learning which meets the required standards and the expectations of trainees, employers and governments is a complex task – one for a major research project rather than this review. The task is complicated by the theoretical complexity of measuring learning outcomes, by the difficulty in isolating vocational learning through traineeships from broader training issues and also by the multiple changes in training and assessment which are currently being implemented through the National Training Framework.

This review has drawn on information available to it to form a preliminary view on the core quality question: *Is Tasmania's traineeship system leading to quality vocational learning outcomes?* To answer this question, the review has considered:

- Customer satisfaction surveys;
- Aspects of Training Packages;
- Assessment policy and practice; and
- Fully on-the-job traineeships.
1.2 Customer Satisfaction

On the relatively narrow test of employer and employee satisfaction, Tasmania’s traineeship system can be considered to be of average quality. Quality in training does not appear to have been traded off for traineeship quantity. However, for some aspects of traineeships, customer dissatisfaction levels are a cause for concern.

In May 1999, the University of Tasmania’s Centre for Research and Learning in Regional Australia (CRLRA) was commissioned by the Office of Vocational Education and Training (OVET) to conduct a survey of key stakeholders involved with User Choice contracts. Four surveys were conducted: a New Apprentice Survey; an RTO Survey; an Employer Survey; and a Group Training Company and New Apprenticeship Centre Survey.

The following summary analysis of customer satisfaction with aspects of the quality of training derives primarily from the data from responses to these surveys. The full analysis is at Working Paper 2. Care must be exercised in interpretation of this data as the numbers of responses are quite small. Nevertheless, it is possible to comment on apparent trends, and aggregation of data in some instances assists with confidence in interpretation.

Analysis of the CRLRA data suggests the following.

• Both employers and trainees in Tasmania are reasonably satisfied with the actual training program, i.e. its content, timing and location.

• While the majority of employers are, to a degree, satisfied with the method of training delivery, 17.4% of employers expressed some dissatisfaction with this aspect of training.

• While trainees reported high levels of satisfaction with the ability of their trainers, some comments suggest that there have been instances of very poor practice including insufficient or no contact with their nominated trainer and no ‘proper’ training.

• Trainees are slightly less satisfied with the way assessment is carried out than with other aspects of training but, nevertheless, 77.5% expressed some satisfaction with the actual conduct of assessment.

• Trainees in non-TAFE RTOs expressed more dissatisfaction with the way assessment is conducted than trainees in TAFE.

• While wanting more say in assessment, most employers appear reasonably satisfied with the way assessments were conducted with 61.2% expressing some satisfaction.

• Trainee comments indicate that there are some problems in the area of access to quality training materials and resources.


A further point of caution in interpreting the data is necessary. Survey work in VET at the present time occurs in a very volatile environment. User Choice is still a very new system and other changes to the training system such as the introduction of Training Packages also impact on the validity of responses to surveys concerned with the quality of training.
Trainees are reasonably satisfied with the outcomes of the program, i.e. its relevance to careers, while employers are less satisfied with the relevance of training to their organisations. This latter finding is especially troubling.

6% of trainees in non-TAFE RTOs expressed dissatisfaction with the relevance of their program to their career choice as compared with 3.6% of trainees in TAFE.

There is some dissatisfaction among employers and trainees about the amount of say they have in key aspects of traineeships. However, it is also apparent that many of the employers surveyed were not involved in the detail of their apprentice/trainee training.

The Employer Survey conducted for the Review of the Outcomes from Contracts of Training suggests that employer satisfaction with similar aspects of training is fairly low, particularly with:

- course balance between theory and practice (Only 54.5% rated this outcome as high or very high); and
- value for money of the training investment (i.e. the cost of the course against productivity gain). Only 54.5% rated this outcome as high or very high.

Notably, the highest level of employer satisfaction was with the outcome “personal development of the apprentice or trainee”.

In the national report, Employer satisfaction with vocational education and training employers were asked to rate their satisfaction with VET providers on a 10 point scale (1 = very dissatisfied; 10 = very satisfied). The mean response for Australia was 6.7, the highest mean was for Victoria (7.1) and the lowest was for the Northern Territory (6.4). Tasmania’s mean was 6.7, which is average and consistent with the kinds of responses employers expressed for satisfaction with New Apprenticeships in Tasmania’s own surveys.

There is some customer concern that traditional apprenticeships and traineeships are no longer valued in the way they once were and that a good deal of training delivery is inappropriate. In relation to this last point, it is alarming that a 1999 survey of employers in Tasmania found that only 60.2% of employer respondents indicated satisfaction with the relevance of the training to their organisation.

### 1.3 Training Packages

All groups consulted commented on the quality of Training Packages for their areas, even though Training Packages are not a unique feature of traineeships but are relevant to the whole training system.

It is still early days for the Training Package system and the Non-Endorsed components of Training Packages have not yet started to flow through the training system. Therefore, feedback
from stakeholders about Training Packages needs to be considered as "early indicators" only, of a system in transition.

Stakeholders consider that, in many areas, Training Packages are variable in quality. Some Training Packages were criticised as deficient, with inadequate evidence and assessment guides and training and assessment materials being matters most frequently raised. The lack of quality off-the-shelf assessment tools was also seen as a real problem leading to more variation and inconsistency in assessments than otherwise might be the case.

Stakeholders consulted wanted Training Packages to provide basic common documentation and assessment systems that could be customised to become a provider's source of market differentiation.

Stakeholders wanted to see stricter monitoring of the sign-up process to ensure choice of training pathway is appropriate and supported by initial assessment. The reliance on Training Packages to set entry requirements was seen as flawed, given the variations between Training Packages and assumptions about pre-existing competence.

1.4 Assessment

A range of issues flowing from the introduction of Training Packages has raised the quality stakes within the training system as a whole, and assessment in traineeships (and apprenticeships) has become a lightning rod for stakeholder concerns.

The shift in the locus of assessment activities from training institutions to workplaces (which underpins Training Packages), combined with the greater flexibility in choice of delivery modes and greater choice of training provider, have increased the complexity of the assessment process and raised issues of consistency in the conduct of assessment.

Assessment issues loomed large in the comments of participants in consultations who expressed the following concerns:

- The inadequacy of some Training Packages in expressing standards, providing sufficient detail in evidence and assessment guides and the provision of quality exemplar assessment instruments;
- Inadequate funding available to support effective quality assessment practice in traineeships;
- Inconsistency in the conduct of assessment derived from problems with Training Packages and with assessor competence;
- Doubts about the real-life equivalence of a qualification which may have been acquired through a traditional on and off-the-job traineeship, an institutional program (even those with limited work placement) or a fully on-the-job training program;
- Inadequate support for workplaces in assessment skills and poor general understanding of the new system within workplaces;
QUALITY ISSUES IN TASMANIA'S TRAINEESHIP SYSTEM

- Limits on the efficacy of team approaches in assessment (professional assessors working with the technically skilled workplace supervisor) because of the differences in approach, knowledge and understanding;

- The use of generically trained assessors who then make judgments about the workplace application of specific skills without an appreciation of context. Stakeholders believed that assessments need to be job-based and contextualised if they are to truly reflect workplace realities;

- The provision of RCC/RPL desktop assessments seems to be patchy. It is often easier, cheaper and more convenient for clients to proceed with training or arrange a thorough workplace assessment than proceed with convoluted RPL processes; and

- Stakeholders feel there are substantial problems with workplace assessment for traineeships, that TASTA audits are not addressing them and TASTA is currently under-resourced to play an effective role in enhancing quality assessment.

While this list of issues is very disturbing, the feedback from stakeholders is certainly not all negative.

Consultations revealed some best practice examples of efforts to ensure quality in assessment. In the health industry, the requirements for assessors have combined industry and assessor qualifications with external compliance imposed by the Nursing Board of Tasmania. One multiple site RTO is developing banks of evidence guides and assessment tools for use on all sites, supported by informal internal moderation. In the retail industry, some providers require a minimum of three evidences in support of any assessment. The requirement for an integrated assessment at the completion of each phase also provides a safety net in assessment practice. In horticulture, there are moves towards establishing a national network to support assessment moderation for that area.

Consultations suggest that there may be a growing interest amongst some RTOs in differentiating themselves in the marketplace on the basis of training quality and this may have an overall positive impact on the training market dynamic.

1.5 Fully on-the-job traineeships

In many States and Territories, the quality of vocational learning outcomes from fully on-the-job traineeships has been a topic of great debate and concern for some time.

Traditionally, apprenticeships and traineeships have provided for both on-the-job and off-the-job training. Currently, training wages are set on the assumption that trainees and apprentices will be off the job for one day per week and therefore not organisationally productive for that time. On-the-job training has usually been provided by workplace supervisors and off-the-job training provided by qualified trainers in a structured classroom-type context either within the workplace (Training Centres) or in RTOs, primarily TAFE Institutes. One of the thorniest learning problems in the contracts of training system has been how to effectively link and integrate the on-the-job and off-the-job learning.
However, one of the most notable features of Australia’s training system in recent years has been the renewed emphasis on workplace learning. Increasingly, the traditional off-the-job classroom learning is becoming much more of a supplement to on-the-job learning through New Apprenticeships.

The emergence of fully on-the-job traineeships

In 1994, with the development of NETTFORCE companies, a new form of fully on-the-job training emerged within the traineeship system with an emphasis on workplace learning.

‘Fully on-the-job training’ has been defined as ...training delivered solely as part of normal work processes of the trainee. The term infers the absence of any structured training occurring outside normal work processes whether within or external to the workplace.8

The first purpose designed on-the-job traineeships emerged during the time of NETTFORCE in 1996. The main surviving pathway from this initial group in Tasmania is the Certificate II in Business (Small Business Traineeship). Decisions to fund or not fund these initial fully on-the-job traineeships were based on judgments about the design of the traineeship, the quality of training and assessment materials provided and the existence of viable industry-specific pathways.

Emerging concerns about fully on the job traineeships

There were concerns about the promotion of these traineeships, the motivations of employers in signing up trainees and the consequences for the quality of training outcomes, especially as the design of the traineeships did not formally acknowledge or make allowance for the development of underpinning knowledge. For these reasons, the Tasmanian government withheld funding and these traineeships survived on funding from the Commonwealth. The end of this Commonwealth funding and the development of Training Packages (which it was felt would more systematically address design, training and assessment issues) has rendered many of these early pathways obsolete.

It is now theoretically possible for all traineeships to be delivered entirely on-the-job. Certainly where Training Packages exist, there is increasing emphasis on and a requirement for workplace assessment. Training pathways are funded on the basis of the appropriateness of the pathway in terms of economic priority, the provision of satisfactory training and assessment materials, existing funding of pathways in the same industry area, quality of the support mechanisms and the overall design integrity of the traineeship pathway.

Combinations of on and off-the job training are important to most employers

The combination of on-the-job and off-the-job learning remains very important to between 70-80% of employers. In 1998, Roy Morgan Research undertook a study9 of the views of Victorian.

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9 Roy Morgan Research, 1998, Benchmarking Employer Satisfaction with Training for Apprentices and Trainees, State Training Board of Victoria, Melbourne
employer on various aspects of training. Employers were asked to rate the importance of off-the-job training. 38% of employers of apprentices rated it extremely important and 40% very important. The corresponding percentages for employers of trainees were slightly lower at 33% and 40% respectively. There is no reason to expect that the views of Tasmanian employers would differ significantly.

The Tasmanian approach

In Tasmania, potentially all traineeships may be delivered in a ‘fully on the job’ mode, with the actual mix of on and off-the-job training a matter for negotiation between RTOs and the parties to the training agreement. The decision is based on judgments about the quality of training and assessment materials within the Training Package, the nature of the competencies to be acquired and the capacity of the workplace to support fully on the job delivery.

Consultations and submissions suggest that, in principle, Tasmanian stakeholders have no objection to fully on-the-job traineeships IF quality training is delivered. The basic requirements for effective on-the-job training are seen to be regular reviews and feedback of trainee performance and appropriate tools and support mechanisms for workplace supervisors and trainees.

Stakeholders in Tasmania believe that this does not always happen with fully on-the-job delivery. They believe that in many workplaces, trainees are not given sufficient time during working hours to complete self-paced learning packages. These views appear to be supported by survey data.10

This situation may be less likely to occur when trainee diaries are kept and/or there is union monitoring. In other circumstances, training in fully on-the-job traineeships seems to depend on the commitment of the employer and the trainees’ awareness of and willingness to claim their rights. RTOs reported difficulties in trying to get some employers to meet their training obligations to their trainee.

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10 See Kilpatrick, S. and Guenther, J. (1999), Evaluation of 1998 User Choice Arrangement Survey of Key Stakeholders, Centre for Research and Learning in Regional Australia, University of Tasmania
2.1 Introduction

Some weaknesses are evident in the management of Tasmania’s traineeship system which undermine quality and increase exposure to risk. The causes are complex but two stand out—rapid growth in the traineeship system and multiple changes in the broader training system.

The very rapid growth in traineeship commencements, stimulated largely but not entirely by government incentives, especially Commonwealth government incentives, has been a major contributing factor to quality management weaknesses. As Working Paper 1 indicates, total trainee commencements have increased by 488% from 931 trainees in 1995 to 5,478 trainees in 1998. This exceedingly high level of growth has stretched OVET’s management and operational resources beyond their limits.

In addition, substantial change within the wider training system is a contributing factor to quality management weaknesses. The introduction of the National Training Framework – the Australian Qualifications Framework and Training Packages – have also stretched existing resources to their limits, and there are substantial implementation difficulties in this transitional phase. All stakeholders are feeling the cumulative impact of these system changes and are struggling to manage the transition well.

The most significant management weaknesses identified by this review are in the areas of:

• Quality assurance and contract compliance;
• Planning and data;
• Administrative delays; and
• Completion Rates.

2.2 Quality Assurance and contract compliance

The traineeship system in Tasmania currently relies on two main quality assurance checkpoints:

• the initial registration of RTOs and subsequent monitoring and auditing arrangements under the Australian Recognition Framework; and
• contractual arrangements through User Choice contracts and subsequent contract compliance activities for those traineeships where training is publicly funded.
The Australian Recognition Framework

The sheer numbers of RTOs seeking initial registration under the Australian Recognition Framework in Tasmania (and elsewhere) has placed great strain on the resources allocated to quality assurance. In 1995, there were 93 public and private providers registered as RTOs in Tasmania, rising to 176 in 1998. OVET officers are being stretched to provide initial registration services in a timely way.

In addition to the requirements for initial registration, the ARF makes provision under Standard C5 (External Review Processes) for external monitoring and audit processes including random compliance audit, audit following complaint and audit for the purpose of re-registration after five years.

In Tasmania, resources have not been made available for on-going and strategic monitoring of RTO performance or for random auditing of RTOs once registration has been achieved. In the absence of such audit or review information, firm judgements about quality are difficult to make. Consequently, risk is not currently well managed in Tasmania's traineeship system.

There is a wide-spread perception amongst many stakeholders that the current approach to quality assurance under the ARF is focussed on management processes and inputs, and concern that the quality of training provision and, more importantly, training outcomes, is neglected.

This perception is supported by even a cursory analysis of the assumptions underpinning the Australian Recognition Framework. These assumptions were based on the principles of total quality management first developed for the manufacturing sector and subsequently applied to services such as health and education and training.

Quality assurance systems, above all, are concerned with processes which go on within an enterprise or an institution. The key assumption is that if the processes are right then it is likely that the product will also be right. Effort is also directed to building a culture of quality in the organisation. For a factory producing widgets, additional tests of quality can be incorporated in the quality assurance system. It is a relatively straightforward task to test the outputs - the widgets - and supplement this information with other internal information such as defect rates. Customer satisfaction, market share and profits are all external tests of quality.

The manufacturing experience is not directly replicable in any training concerned with other than the most narrowly defined skill. The more generic the skill, the harder it is to define output quality and longer-term outcome. When applied to a whole system such as VET, the greater the complexity.

Lack of clarity about the outputs and outcomes of traineeships and the genuine difficulties in measuring the quality of training outputs and outcomes have led the VET sector to rely heavily on assuring the right institutional processes and inputs, on the assumption that these will assure quality outputs and outcomes. It is clear from this review that such an approach is no longer acceptable to stakeholders and changes are necessary.
PART A

QUALITY ISSUES IN TASMANIA'S TRAINEESHIP SYSTEM

User Choice Contract Compliance

The rapid growth in numbers of RTOs contracted under User Choice to deliver traineeship training has also placed severe strains on OVET's resources. As Working Paper 1 indicates, in 1995, 13 RTOs were contracted to deliver traineeship training through User Choice funding. By 1999 this had increased to 53 RTOs.¹²

Contract management has become a major administrative task. However, resources have not been allocated to the conduct of contractual compliance audits. With justification, some stakeholders noted that until such auditing takes place, there is simply no evidence one way or the other to support the contention of inadequate training or poor quality training.

There was unanimous support amongst stakeholders for a system of stringent random audits both for both registration purposes and as part of contract monitoring under User Choice. Stakeholders believe that such audits would keep providers 'on their toes' and raise quality in the system. There was also support for strategically targeted evaluation and ongoing monitoring of RTO performance. OVET has recently undertaken a strategic review of User Choice which is helpful in building a coherent picture of quality in the system.¹³

2.3 Planning and data

A number of weaknesses in the area of planning and data collection have become evident in the course of the review. Many of these relate to the broader training system and are not unique to the traineeship system. The following are the most significant of these issues.

- The lack of a fully integrated planning system that links advice from Industry Training Advisory Boards, User Choice purchasing systems and labour market and industry analysis. This problem will be exacerbated with the establishment of Industry Councils under the Industry Development Plan being developed by the Department of State Development. Linking OVET's planning systems and advice from Industry Training Advisory Boards to those of State Development is a major challenge.

- There are inconsistencies evident in the bases for various planning and data collection systems within OVET. The DELTA system which provides data on contracts of training was not AVETMISS compliant until late 1999. This has caused difficulties in data correlation and analysis but the situation should improve over time. Data collection seems fragmented and inadequate resources have been applied to value-adding data analysis and interpretation. Data generated across OVET is not always reliable or of good quality.

Internal and external users of Apprenticeship and Traineeship data, financial data, purchasing data, quality assurance data, etc have a right to expect quality reports which are accurate, timely, valid and useful for planning purposes.

¹² In these figures, TAFE Tasmania has been counted for all years as a single provider, although in 1995 it comprised 5 separate institutions, each registered in its own right.

¹³ Kilpatrick, S. and Guenther, J. (1999), Evaluation of 1998 User Choice Arrangement Survey of Key Stakeholders, Centre for Research and Learning in Regional Australia, University of Tasmania
2.4 Administrative Bottlenecks

This review did not have an opportunity to consider in detail the business processes which support the traineeship system.

The exceedingly high level of growth in the number of traineeships, multiple system changes and limited management resources have all combined to stretch OVET's management and operational resources beyond their limits, leading to:

- delays in providing New Apprenticeship Approval Numbers;
- delays in registering training agreements; and
- delays in processing other administrative requirements of the traineeship system.

2.5 Completion Rates

Completion rates go to the question of efficiency of the traineeship system.

A recent study of national traineeship non-completion rates identified a completion rate of 56.7% for 1995/96 trainees. By comparison Tasmanian data indicates a completion rate of 70.2% for trainees in the period 1990-1998. On this basis, Tasmania is doing relatively well. Nevertheless, a non-completion rate of around 30% suggests there is room for considerable improvement.

Between 1990 and 1998 there were 7,707 Trainee commencements in Tasmania. The following table shows the completion rates for the seven areas of study which each had more than 200 trainees over this period and which account for 47% of all trainees.
Table 1: Trainee Completions 1990-1998 by Area of Study

<table>
<thead>
<tr>
<th>Area of Study</th>
<th>Completions</th>
<th>Non-Completions</th>
<th>Completion Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business (Small Business)</td>
<td>341</td>
<td>243</td>
<td>58.4</td>
</tr>
<tr>
<td>Food Preparation &amp; Service</td>
<td>135</td>
<td>106</td>
<td>56.0</td>
</tr>
<tr>
<td>Office Skills (Private Sector)</td>
<td>781</td>
<td>207</td>
<td>79.0</td>
</tr>
<tr>
<td>Retail (Sales Assistant)</td>
<td>589</td>
<td>165</td>
<td>78.1</td>
</tr>
<tr>
<td>Retail Operations</td>
<td>147</td>
<td>106</td>
<td>58.1</td>
</tr>
<tr>
<td>Retail Operations (Sales)</td>
<td>270</td>
<td>108</td>
<td>71.4</td>
</tr>
<tr>
<td>Rural Skills</td>
<td>174</td>
<td>71</td>
<td>71.0</td>
</tr>
<tr>
<td>Other (1)</td>
<td>2970</td>
<td>1294</td>
<td>69.7</td>
</tr>
<tr>
<td><strong>All Areas of Study</strong></td>
<td><strong>5407</strong></td>
<td><strong>2300</strong></td>
<td><strong>70.2</strong></td>
</tr>
</tbody>
</table>

Source: Research Unit, OVET, 1999

Note: (1) ‘Other’ comprises all other areas of study which had less than 200 trainees 1990-1998

It can be seen that while the Office Skills (Private Sector) Traineeship had a completion rate of 79% the Retail Operations Traineeship had a completion rate of only 58%. Such differences between traineeship pathways require further investigation.

The DETYA national review of non-completion rates has found that

*The non-completion rates for trainees undertaking the small business and hospitality/tourism traineeships were higher than would be expected given the composition of participants. Both of these traineeships allow training to be undertaken entirely on the job. It is possible that discontent with the training provided in these two traineeships contributes to their high non-completion rates. This hypothesis is currently under investigation.*

It is of interest that most non-completion was due to cancellation by mutual consent (21%), which perhaps reflects inappropriate selection of trainees or inappropriate selection of training.

The *Employer Survey* results do not distinguish between employees who were apprentices and those who were trainees. It did however seek employers’ reasons for contract terminations. As the following figure shows, the most frequent reason employers gave was that the trainee/apprentice left for another job.

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Figure 1: Employer reasons for cancellation of contract of training

Data Source: Employer Survey, Research Unit, OVET, 1999

As the following figure shows, trainees themselves most frequently (21%) cite unhappiness with the training as the main reason for contract cancellation, followed by employer cancellation (19%). This result is significant in that it offers a direct link between the quality of training and non-completion.

Figure 2: Trainee reasons for cancellation of contract of training

Data Source: Ex-Apprentice/Trainee Survey, Research Unit, OVET, 1999

It is possible that the discrepancy between employers and New Apprentices occurs because the employer responses include those who employ apprentices. The alternative explanation is that trainees do not always tell their employer the real reason for their wish to cancel the traineeship.

Stakeholders generally agree that high non-completion rates are prima facie a cause for concern. Those consulted offered some qualification on interpreting non-completion rates, noting the impact of industry restructuring, naturally high employment turnover in some industries and increasing casualisation as significant factors to take into account. These factors were noted in particular in meat and poultry processing and hospitality. Seasonal factors and isolation could also be significant factors in agriculture.
Stakeholders felt that, in all circumstances, an early withdrawal could be appropriate and, in some industries, could be seen as a benefit. Stakeholders believed the focus needed to be on involuntary departures where training and workplace issues were directly involved in the departure decision.

Other stakeholder perspectives on non-completion rates emphasised ignorance of employers and trainees of the nature of rights and responsibilities under agreements. There was consistent criticism of the placement of trainees in inappropriate traineeships and the enlarged requirements of some traineeships that may well contribute to the non-completion rates. In relation to trainees, it was noted that wage levels could act as a disincentive to complete and the lack of security offered by agreements could also be significant. The general economic background could not be discounted as an influence on non-completion rates.
3.1 Introduction

Training for traineeships is provided through a market, albeit a managed market. Therefore, the operation of the market is a crucial element in shaping the quality of the overall system. Stakeholders have noted the increasing complexity of that market, and identified deficiencies in market operation. The main problem areas in the view of stakeholders are:

- the quality of information and communication between all market players;
- the price paid for traineeship training; and
- the effect of incentives on market behaviour.

3.2 Market Information and Communications

One of the central elements of a well-functioning market is the free flow of reliable information about the market. One of the core roles of government is to ensure that reliable information flows freely to all buyers and sellers in the marketplace.

Information to employers

A recurring theme in the consultations related to employer perceptions and understanding of the traineeship system. Employers and employer bodies expressed confusion about the purposes and processes of what they see as an increasingly arcane system. The complexity of the system and the number of potential sources of advice make it difficult to understand and this means that many employers have been drawn to the one tangible benefit from participation, namely the financial incentives.

Stakeholders suggest that employer frustration with the number of players and the different roles appears to be eroding their commitment to the system and to maintaining quality training standards. In short, employers appear to be receiving mixed messages about the balance between the benefits to them and their obligations under the traineeship system.
**Part A**

**Quality Issues in Tasmania's Traineeship System**

**Information to Trainees**

One of the themes that emerges from the *New Apprentice Survey*\(^7\) is that many trainees wish they had more complete information before they became trainees. Comments on what would have improved the program included:

- more information;
- more explanations;
- more relevant course information;
- more information to begin with; and
- more information from agency.

Some trainees seemed unaware that they were in fact trainees, others felt that if they had known what it was like they would not have signed up.

The *Ex-Apprentice/Trainee Survey* conducted for the *Review of the Outcomes from Contracts of Training*\(^8\) asked 223 trainees to indicate which of a number of factors were barriers to starting a traineeship. 22% indicated that getting information on traineeships was a barrier. Of the 487 who responded to the question about their main source of information on traineeships 53% indicated it was from the employer and 18% from TAFE.

It is not surprising therefore that an analysis of the Tasmanian employer responses to the *Employer Satisfaction Survey*\(^9\) showed that 74.5% of those who employed trainees thought that the availability of information about courses and subjects was extremely important, or very important. However when asked to prioritise improvements for the traineeship program this aspect was at the bottom of the list of employer priorities for improvement.

Confusion in the market place may be a transitional implementation problem as new entities such as NACs have been established to deal with information or it may be a longer-term structural one. It is still too early to know. Either way, it impacts on the ability of a trainee to make an informed decision about which pathway to pursue and on a company to decide whether to employ a trainee and to make choices about training and assessment.

**3.3 User Choice Prices**

The general and universal opinion of RTOs from submissions and consultations was that traineeship prices paid to providers are too low and certainly not sufficient given the new requirements for assessment and support to workplaces. Most RTOs believe that price will determine the quality of training which can be achieved within budget and that low prices have a restrictive effect on RTO activity, reducing the time spent with workplaces, the number of assessments and what is negotiated.

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\(^7\) University of Tasmania (1999) Centre for Research and Learning in Regional Australia (CRLRA), May

\(^8\) OVET Research Unit, August 1999

\(^9\) NCVER (1997), *Employer Satisfaction Survey*
The main arguments put forward by stakeholders in submissions and consultations are as follows.

- OVET as the purchasing agency has made the assumption that training package delivery is cheaper than direct classroom delivery. RTOs were virtually unanimous that this is not the case given the requirements for travel, workplace assessment and support for workplace supervisors. Increased requirements for contextualisation and customisation have further added to costs.

- Traineeship prices did not take into account the fact that some qualifications now involved higher level content than before, placing additional outcome requirements on providers.

- There is a hidden cost in training, derived from bureaucratic requirements so onerous that some claimed that up to 30% of costs were related to processing and record keeping. This related to all requirements not just those required by State agencies.

- In some sections of the market such as horticulture, it was suggested that some private operators have withdrawn from the market, as provision is unprofitable. In agriculture, it was argued TAFE delivery must be cross-subsidised from other areas. Overall margins are not sufficient to keep quality players in the market nor great enough to attract new quality players.

Stakeholders expressed the view that the present pricing structure is not transparent enough and a thorough study of the costs of delivery is needed. The review notes here that transparency in pricing is not an obligation of government as purchaser.

Stakeholders proposed case studies on:

- the cost of delivery under different training packages;

- on-the-job training and assessment at individual enterprise sites; and

- the influence of factors such as numbers, content and location of trainees on cost of delivery.

Table 2 provides a breakdown of total State government funding for traineeships by Output Group for 1999.
Note: Percentages of funding allocated to individual traineeship areas are calculated on the total funding before attrition. The attrition discount is applied only on the total funding as no means exist to readily predict the effect in individual areas with any accuracy.

This represents an increase in the number of funded places from 2533 places in 1998, to 3382 places in 1999. It should be noted that the figure includes 250 places provided through TAFE Tasmania from Purchase Agreement funds. If these are discounted then the increase is from 2533 places in 1998, to 3132 in 1999. While the financial budget takes account of attrition, the figures for places remains constant as these reflect commencements not completions.

The table allows for a basic comparison between the number of places and level of funding committed at the planning stage to each output area. Variations between the percentage of places within an output group and the percentage of total funding reflect differences in the price per place. These differences derive from the relative cost of delivery (especially infrastructure costs and some regulatory requirements affecting group size for some components) and economies of scale (given the total number of trainees within the area).

<table>
<thead>
<tr>
<th>Output Group</th>
<th>Places</th>
<th>% of total places</th>
<th>Funding $</th>
<th>% of total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; Horticulture</td>
<td>60</td>
<td>1.8</td>
<td>156,420</td>
<td>2.9</td>
</tr>
<tr>
<td>Aquaculture and Fishing</td>
<td>50</td>
<td>1.5</td>
<td>120,000</td>
<td>2.2</td>
</tr>
<tr>
<td>Arts, Craft and Design</td>
<td>65</td>
<td>1.9</td>
<td>129,350</td>
<td>2.4</td>
</tr>
<tr>
<td>Automotive</td>
<td>70</td>
<td>2.1</td>
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<td>Building and Construction</td>
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<td>0.3</td>
<td>23,200</td>
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<tr>
<td>Business and Clerical</td>
<td>400</td>
<td>11.8</td>
<td>599,310</td>
<td>11.0</td>
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<td>Call Centres (Open Market)</td>
<td>400</td>
<td>11.8</td>
<td>613,000</td>
<td>11.2</td>
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<tr>
<td>Call Centres (TAFE) (funded via Purchase Agreement)</td>
<td>250</td>
<td>7.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electro-technology, Engineering &amp; Mining</td>
<td>257</td>
<td>7.6</td>
<td>727,053</td>
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<td>5</td>
<td>0.1</td>
<td>9,250</td>
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<td>1.5</td>
<td>127,500</td>
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<tr>
<td>Forestry</td>
<td>30</td>
<td>0.9</td>
<td>111,000</td>
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<tr>
<td>Health and Community Services</td>
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<td>247,500</td>
<td>4.5</td>
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<td>Hospitality &amp; Tourism</td>
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<td>389,587</td>
<td>7.1</td>
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<td>Information Technology</td>
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<tr>
<td>Light Manufacturing</td>
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<td>301,920</td>
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<td>Retail &amp; Wholesale Sales &amp; Services</td>
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<td>798,733</td>
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<td>Small Business</td>
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<td>100,000</td>
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<td>Sport and Recreation</td>
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<td>201,300</td>
<td>3.7</td>
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<td>50</td>
<td>1.5</td>
<td>105,000</td>
<td>1.9</td>
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<tr>
<td><strong>Total (Not Allowing for Attrition)</strong></td>
<td>3,382</td>
<td>100.0</td>
<td>5,452,122</td>
<td>100.0</td>
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<tr>
<td><strong>Attrition Allowance</strong></td>
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<td></td>
<td>(572,472)</td>
<td></td>
</tr>
<tr>
<td><strong>Total (Allowing for Attrition)</strong></td>
<td>3,382</td>
<td></td>
<td>4,879,650</td>
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</table>

Source: OVET Policy & Purchasing Unit
Given the complexity of these relationships and the limits on the total funds available, these price ranges do not appear to be extreme. Further these pricing factors do not always act in tandem so that small numbers may be counteracted by low delivery costs and opportunities to combine trainee groups for some components. This is an option not always open to individual RTOs and depends on their delivery profile.

An obvious point to be made is that in the absence of any increase in overall funding for traineeships, there may be room for price adjustments, but these would not affect the total funds going into the market or the overall average price.

3.4 Government Financial Incentives

The structure and impact of government financial incentives for apprentices and trainees continues to be one of the most complex areas of policy and politics in the contracts of training system. As Working Paper I indicates, the financial investment by government is substantial, with Commonwealth incentives to Tasmanian employers currently running at around $11-12m per year and State incentives at just over $4m per year.

Any analysis of the impact of financial incentives on employer decisions to hire an apprentice or trainee which relies entirely on employer surveys will have inevitable limitations. It is highly unlikely in such surveys that employers will support any reduction in government financial incentives and highly likely that they will project a reduction in numbers of apprentices or trainees as a consequence of reductions in payments to employers. In such surveys, employers not surprisingly report a need to increase the level of financial incentives.

The Evaluation of the Tasmanian Traineeship and Apprenticeship Scheme\(^\text{20}\) conducted an employer survey. Not surprisingly, 45% of survey respondents indicated they may not hire additional trainees and apprentices if the State government’s Tasmanian Traineeship and Apprenticeship Incentive Scheme (TTAIS) were discontinued.

However, this evaluation also combined these survey results with stakeholder interviews, desk research and data analysis. The report drew a number of important conclusions relevant to this review.

- The Commonwealth incentive scheme provides a significant incentive to hire additional apprentices and trainees.
- In comparison with the Commonwealth scheme, the TTAIS provides little or no incentive to hire additional trainees and apprentices.
- Unless certain modifications are made to the current TTAIS, such as more closely targeting incentive payments and providing only for a cash incentive rather than payroll tax rebates, the scheme should be abolished.

At present, recommendations from the report are under consideration though it is unclear when, or if, any adjustments will be made to the system of State incentives.

\(^{20}\) James Graham Consultancy, (1999), Evaluation of the Tasmanian Traineeship and Apprenticeship Scheme, Department of State Development, Hobart, June
From the consultations and submissions which formed part of this review, stakeholders are of the view that the structure of incentives in the past has resulted in some cases in a ‘dash for cash’ mentality amongst a small minority of employers, with the signing up of workers who were not likely to achieve the learning outcomes, and with inadequate attention to the employer’s training obligations to trainees. This criticism was directed largely, but not entirely, to the previous Commonwealth policy of incentives for signing up existing employees as trainees.

Amendments to the Commonwealth incentive scheme made in May 1999, tightening the eligibility criteria for employers to access Commonwealth incentive payments for existing workers under the New Apprenticeship scheme and introducing, from September 1999, a uniform three month waiting period for receipt of employer commencement incentives were considered by stakeholders to be too recent to make reasoned judgement about their effectiveness in dealing with these problems. It is generally accepted that it will reduce the incidence of trainees being signed up then suspended on receipt of incentives.

This latter point is especially significant. The review was given some examples of how some employers have abused the incentive system. In one case, a trainee was hired by an employer, given two weeks work and then suspended. The trainee was not allowed to be transferred to a new agreement until the employer got the incentive payment whereupon they released the trainee. The receiving employer then had to wait for months to get any incentive for seriously taking on a trainee.

In contrast there is evidence that some companies such as Purity Supermarkets and Coles are using the traineeship system in a targeted way to improve the skills of workers and are making a real commitment to the provision of training.

On balance there was general agreement amongst stakeholders consulted that a system of incentives for existing workers was economically favourable and, if properly monitored, should improve the skills of existing workers and improve the general state of the Tasmanian economy. For new workers, the current system of incentives was seen as appropriate, although marketing should again emphasise training rather than the subsidy.
CHAPTER 4
Regulation for Quality Training

4.1 Introduction

For the traineeship system, the quality assurance systems of the Australian Recognition Framework complement and are complemented by a regulatory regime established under the Vocational Education and Training Act.

Traineeship (and apprenticeship) regulation is intended to protect the rights and enforce the obligations of both parties to the training agreement, that is, employers and trainees. One of the rights of trainees is to receive quality training and one of the obligations of employers is to ensure that quality training is provided.

This review has serious doubts whether the regulatory regime is achieving this goal, especially given the lack of job security offered to apprentices and trainees, the rates of non-completion and concern expressed by both trainees and employers about the quality of training.

4.2 OVET’s Regulatory Role

Both submissions and consultations suggested that current regulatory functions have not been effective in ensuring quality in training. Stakeholders made much comment on the role of OVET, acting as regulator of the traineeship system on behalf of TASTA, TAREc and TTAC. OVET is regarded as central to the effective operation of the traineeship system most importantly because of its legislated role and its government role as ‘honest broker’. Comments dwelt on the following:

- The need for closer monitoring of training agreements at all stages and the insufficient number of training consultants to do this effectively.
- The need for stricter monitoring of traineeship sign-ups to ensure appropriate choice of pathway, supported by initial assessment. Tighter guidelines for the sign-up process were considered necessary to ensure that employers and employees are fully aware of their responsibility when they enter an agreement.
- The need for more formal entry requirements for traineeships, to ensure appropriate selection of trainees and training pathways.
- An apparent withdrawal from effective market presence by OVET/TASTA and a de facto policy to deal only with crises as they arise.
- The inadequacy of audit and review of RTOs.
- Need for clarification of roles in dispute resolution. Stakeholders commented at length on a need to clarify the roles of various market players in dealing with disputes, principally those between an employer and a trainee. There seems to be increasing frustration and
confusion in the market place about who has responsibility and authority to deal with disputes. The general tone was that "there seems to be a lot of handballing going on" while one participant asked "didn't you have consultants once?" It was seen as OVET's responsibility to provide clarity in an increasingly complex operating environment.

- The lack of employer and trainee awareness of their rights and obligations under training agreements was another area of concern. All stakeholder groups remarked on this, believing that it undermined the provision of structured training in workplaces. OVET and TASTA were seen as having the primary responsibility for reversing this trend, partly through direct action and partly through clarifying the relative roles of TASTA and NACs.

### 4.3 New legislation, existing resources

To some extent, the problems of the regulatory framework have already been recognised by OVET and the Government. Legislative changes to the Tasmanian *VET Act* are being prepared and proposed changes will:

- provide the Tasmanian Accreditation and Recognition Committee (TAReC) with powers to:
  - monitor the performance of RTOs for the duration of registration against TAReC-approved quality assurance standards;
  - vary the terms of registration for training providers including the imposition of conditions and suspension of registration; and
  - allow TAReC to impose a range of penalties including financial penalties and revocation of registration.

- provide the Tasmanian Training Agreement Committee (TTAC) with an explicit power to direct parties to a training agreement. The intention of the proposed changes to the legislation is to ensure that:
  - Trainees are trained to the standards required to meet the requirements of the qualification involved; and
  - Work requirements do not act to hinder the achievement by a trainee of the competencies required to achieve the qualifications involved.

These changes will strengthen the regulatory underpinning of the traineeship system. However, strengthened legislative requirements will have little effect if they are not enforced.

A common observation was that OVET simply does not have sufficient resources to do the regulatory job expected of it at present. Additional regulatory functions will only exacerbate the problem. There is a widely-held view within and beyond OVET that, under budget pressure and in view of the growth in numbers of traineeships, OVET has withdrawn to a crisis management role in relation to regulatory requirements.
4.4 Conflicts of interest and unethical practices

The Discussion Paper prepared for this review\(^1\) noted that, in general terms, a conflict of interest arises if it is likely that a person with a private or personal interest could be prejudicially influenced in the performance of his or her public or professional duties by that interest, or that a reasonable person would believe that the person could be so influenced.

Such interests may be pecuniary or non-pecuniary. A "non-pecuniary interest" may be defined as any private interest that does not relate to money (for example, arising out of kinship, friendship, membership of an association, society or trade union, or involvement or interest in an activity).

Conflicts of interest are not a problem in themselves and are not necessarily illegal or unethical unless their occurrence is hidden or not acted upon. However, perceptions of conflict may be as damaging as the real thing.

There is a widespread perception amongst stakeholders in the Tasmanian traineeship system that conflicts of interest exist. This perception arises partly because in Tasmania (and elsewhere) many organisations perform multiple roles within the traineeship system, even though those roles may be technically separated by internal organisational arrangements or legally separated under common ownership.

Practical examples of possible areas of conflicting interests include:

- Where an organisation has an interest as an employer of trainees and also has an interest as a New Apprenticeship Centre (NAC). It can be argued that a NAC's responsibility to provide impartial advice to employers and trainees may be compromised by its own competing interest as an employer.

- Where an organisation has an interest as a New Apprenticeship Centre and also has an interest as a Registered Training Organisation. In such instances, the provision of independent advice on suitable training organisations and training pathways may be compromised and the quality of training assessment may be compromised.

- Where an organisation has an interest as an employer and also an interest as a Registered Training Organisation. In such instances, the integrity of training delivery and assessment may be compromised.

It would seem that the coincidence of two inter-related factors in the traineeship system have caused the issue of conflict of interest to come to the fore. First, the structure of incentive payments within the traineeship system, especially the former Commonwealth policy on incentives to sign-up existing employees as trainees and, secondly, the establishment of New Apprenticeship Centres.

New Apprenticeship Centres are relatively new bodies in the training landscape. They form part of the Job Network - organisations across the country contracted to provide 'one stop' apprenticeship and traineeship support services. The concept of an integrated 'one stop shop' has great merit.

\(^1\) Distributed in September, 1999
New Apprenticeships Centres were established to:

- provide up-to-date information on apprenticeships and traineeships;
- market and promote apprenticeships and traineeships at the local level; and
- administer Commonwealth employer incentives and training allowances for apprentices and trainees.

They were first contracted following open tender by the Commonwealth government for the 19 months from 1 May 1998. In the first tender round, three New Apprenticeship Centres were contracted. Two Group Training Companies were contracted as NACs: Tasmanian Group Training Limited and Northern Group Training Ltd. A third Group Training Company is a consortium partner in the third New Apprenticeship Centre, JobNet Tasmania.

However, anxiety about conflict of interest between an organisation which simultaneously is an employer, an RTO and a NAC led to each Group Training Company establishing three legally separate service arms, that is, group employment services, training services and NAC services.

The establishment of NACs has been a cause of concern to some Tasmanian stakeholders consulted, especially RTOs. The concerns expressed are as follows.

- The general provision of information by NACs was criticised as being insufficient. This was combined with expressions of concern about the poor knowledge of NAC agents both in relation to the industries and enterprises they advised and the content of particular traineeships. The review considers this concern to be about the professional competence of NACs and not about conflict of interest.

- Stakeholders also expressed the belief that the provision of information by NACs was biased towards those areas of training which the RTO associated with the NAC was able to provide. There was some doubt about whether User Choice was genuinely operating under these circumstances and whether trainees were being placed in suitable traineeship pathways. However, no tangible evidence of this was put to the review to enable a defensible conclusion to be drawn.

- Some stakeholders have the perception that NACs have been unduly influenced by the incentive arrangements especially when they were also acting as the employer and the primary RTO. A perception that business imperatives to achieve targets for New Apprenticeship sign-ups led NACs to market the benefit of the Commonwealth financial incentive to employers without a thorough associated explanation of the training requirements and the training obligations of employers. No tangible evidence of this was placed before this review.

- Some stakeholders passed unfavourable comment about the comparative completion rates between NAC-recruited trainees and RTO-recruited trainees. Again, no tangible evidence of this was placed before this review.

- Many RTOs expressed a preference, where possible, to sign up their own trainees and then use NAC only as auditor, to avoid making commercially sensitive material available to the NAC.
In contrast to these negative perceptions and experiences, some RTOs noted that the NAC was supportive and played a limited but nevertheless useful role. Larger providers noted that because of their general market profile, they were able to promote traineeships in their own right and were thus more independent of the NACs.

NAC representatives and others noted that the combined roles of NAC, GTC and RTO allowed them to improve service delivery and any attempt to narrow their role would lead to a loss of quality. The convenience of a one-stop-shop for employers was perceived as a huge plus and helped to diminish confusion and frustration in the marketplace.

In October 1999, following a new round of tenders, the existing three NACs along with Employment National were contracted to provide NAC services. These new contracts are more specific than the previous ones and will include a New Apprenticeship Code of Conduct, which requires NACs to provide high quality support services in all aspects of New Apprenticeships. Stakeholders hope that the application of the Code and close monitoring by DETYA may overcome perceptions of conflict of interest and perceptions that quality is being driven down by business imperatives derived from incentive payments.

The review does not have sufficient evidence on which to conclude whether or not unethical, corrupt or fraudulent practices have occurred in the past or are occurring now. At the same time there is considerable anecdotal evidence that, at best, unethical practices are being pursued by a small minority of players in the marketplace. The perception exists, even if tangible evidence does not, and thus presents a danger to the quality of the traineeship system.

The essential problem in this difficult and important area is that the Tasmanian government has not put enough effort into:

- articulating what is considered unethical or corrupt practice;
- creating a climate in which such practice is unacceptable;
- establishing systems for identifying such practice; or
- effectively enforcing powerful sanctions where such practice is proven.

Tasmania has the opportunity to lead Australia in this area of ethical business practices in the training market.
CHAPTER 5
Supporting Policies

5.1 Introduction

The traineeship system needs to be underpinned by a sharp policy focus. A clear policy framework allows the government to set goals for desired results. At present, the policy framework lacks clarity. There exists a loose collection of individual policies, regulations, purchasing rules and operational guidelines which, when bundled together, are insufficient to provide the coherence and focus essential to guide substantial government investment in traineeships or to inform the marketplace about government directions.

The review has identified four particular areas where greater policy clarity is needed:

- The purposes of traineeships;
- Policies at the interface between VET and Tasmania’s Industry Development Plan;
- Policies on part-time and casual traineeships; and
- Policies on School Traineeships.

5.2 The purposes of the traineeship system

The purpose or purposes of traineeships are inevitably contested, and will vary from time to time and place to place depending on the economic, social and political context in which they are operating. Since its inception in 1985, two primary purposes have underpinned the traineeship system:

- to provide individuals with structured access to employment and training; and
- to provide industry with a skilled labour force.

In terms of providing individuals with employment and training opportunities, stakeholders understand the intertwined goals of employment and training but believe that, in the current context, the training goal has been overshadowed by employment targets and by governments’ political need to be seen to be ‘doing something about unemployment’, even though training programs are poor policy instruments to achieve employment objectives.

There seems to be a widely held view that with the decline of labour market programs, New Apprenticeships have become dominated by a focus on job creation and have lost a strong focus on skill outcomes. While this review does not have quantitative evidence to support these claims, such perceptions can lead to a community-wide devaluing of traineeships and a loss of confidence in the traineeship system as a quality skill formation program.

A related policy issue concerns the primary target group for traineeships. The rapid increase in numbers of New Apprentices who are existing workers has put pressure on a system originally
designed to focus largely on new entrants to the workforce, especially young people. As Working Paper 1 indicates, the average age of trainees has increased dramatically in recent years, largely the result of policies and incentives for existing workers to be signed-up as New Apprentices. While many stakeholders are keen to retain a strong focus on entry-level skills for young people, others felt that the system should not restrict itself to support for new workers and entry-level skills but needed to encompass middle-level skills and existing workers. This is a policy choice and the answer will depend on views of government on where it wishes to invest public funds and for what measurable outcomes.

In terms of the purpose of providing industry with a pool of skilled labour, the respective level of contribution by government and by industry needs to be carefully considered. There are two key policy considerations here.

- How best to respond to the growth in demand for traineeships from employers? Working Paper 1 indicates that User Choice funds for traineeships rose from 3.7% of total VET delivery funds in 1995 to 5.8% in 1999. The Tasmanian government will need to consider to what extent traineeship growth is a policy-driven growth (based in financial incentives) or a truly market-driven growth, and determine the upper limits (if any) of government investment in traineeships, either through training budgets or through financial incentives.

- How and where to target training funds for traineeships to gain maximum benefit in terms of the State’s skill formation needs? One of the major issues identified by stakeholders is whether the traineeship system should have a primary focus on existing industries or whether greater attention needs to be paid to building a skill profile for industries of the future. Given the current skill shortages in the market (whether due to the growth of new industries and enterprises or because of skill drain to the mainland States), stakeholders are of the view that traineeships will still need to support existing industries. Despite reservations about the status quo, there was no apparent support for any system of quotas or a re-direction of effort from existing traineeships to new traineeships. A number of respondents expressed concern that ‘non-priority’ industries could lose training funds by government targeting its investment to priority industries - there should be no “robbing Peter to pay Paul”.

5.3 Policies at the interface between VET and Tasmania’s Industry Development Plan

Following the Tasmanian Industry Audits and with the creation of the Tasmanian Industry Development Plan, the relationship between VET policies on traineeships and those of the Department of State Development has become of critical importance. Conflicting policies and duplication of effort must be avoided.

The review has identified three areas where the interface needs significant policy attention and co-ordination.

- Planning systems within OVET and the Department of State Development need to be compatible. Both agencies will need to work from a common information base about labour market and industry developments and come to an agreed view about where investment in traineeships will yield the best returns in terms of government policy. Stakeholders
commented that the current planning processes of OVET are unwieldy and unable to guarantee effective support for priority industry areas as identified in the Tasmanian Industry Audits. This review did not examine the planning systems of the Department of State Development.

- Skill-based interventions from two different agencies have the potential to create uncertainty in the market place. Suggestions made to the review that the Department of State Development may establish a Skills Response Unit and/or a mentoring program for industry to assist in their training strategy raise important questions about whole-of-government responses to skills formation needs.

- The future of the $4 million investment in the Tasmanian Training Incentive Scheme has yet to be determined by government. The review conducted earlier in 1999 makes it clear that its impact on employer decisions to hire additional trainees and apprentices is not significant. Close policy co-operation between OVET and the Department of State Development will be necessary to ensure maximum returns from this investment, if it is to continue.

However, closer alignment of traineeship policy with Tasmania’s industry development priorities is not universally supported by stakeholders. Some suggested to the review that over-reliance on the industries identified in the industry audits to guide traineeship investment and on the views of the Department of State Development would fail to recognise the significant economic benefit flowing to Tasmania from areas of social expenditure such as health, education and community services.

5.4 Policies on part-time and casual traineeships

The 1998 TASTA Annual Report noted that 138 pathways had been recognised in that year with 69 involving part time arrangements. Of this total group, 47 are funded.

It was accepted by most stakeholders that part time traineeships form a valuable component of the current system. They considered that part-time arrangements provide for seasonal variations and economic cycles in many industries. Some stakeholders noted that for RTOs part time traineeships involved greater costs due to the need for more extensive workplace contact over the life of the agreement.

In industries dominated by seasonal and casual labour such as hospitality and food processing and micro-business, the present system was seen by some as inadequate by design, as existing traineeship arrangements simply could not accommodate business needs. In these industries, the traineeship system was seen as either fraught with complications or simply inappropriate. Different training support arrangements other than traineeships were considered necessary in such circumstances.

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22 James Graham Consultancy, (1999), Evaluation of the Tasmanian Traineeship and Apprenticeship Scheme, Department of State Development, Hobart, June
5.5 Policies on School Traineeships

In April 1999, the total year 11 and 12 school population in Tasmania was 13,492 of whom 2,604 (19.3%) were enrolled in a VET in Schools program. Only 30 of these were trainees under training agreements. As Working Paper 1 indicates, demand for School Traineeships is not projected to rise. A key policy question is whether more effort should be put into increasing the number of School Traineeships.

In recent years, the development of VET in Schools has become a priority for Australian governments. During the consultations, school representatives emphasised the strengths of their VET in Schools programs, noting the high employment outcomes, industry support through the continuing supply of work-placements, development of programs through consultation with ITABs and the high quality of participants as significant features of current programs.

Stakeholders consulted were consistent in their view that there are significant barriers to the further development of VET in Schools and that until these barriers are removed, School Traineeships should not be extended. They based their view on a range of arguments, only briefly canvassed here.

- School students who have undertaken existing VET in Schools programs have two barriers as they enter the workforce. First, having done a program at Certificate II level, they do not attract a government financial subsidy should they then be taken on by an employer as a Certificate III trainee. Second, many Certificate III programs within Training Packages assume supervisory responsibilities, yet it is unlikely that a young person entering the workforce for the first time will be assigned supervisory responsibilities. Thus, a young person with Certificate II qualifications achieved through a VET in Schools program or a School Traineeship is an unattractive prospect to many employers, relative to a young person with no qualifications or with qualifications at Certificate I only.

- Unhelpful competition within the school system and between schools and TAFE around VET in Schools is seen as leading to wasteful duplication of infrastructure. Funding issues figured highly in the consultations. These ranged from the view that funding to schools should reflect the State’s economic priorities and be explicitly directed to produce outcomes, to the view that schools are currently expected to deliver traineeships from their education funds. This was countered by submissions which noted that schools should not be able to double dip and should operate in the traineeship market only on the basis of competitive neutrality. One submission favoured cooperative arrangements with other RTOs, particularly TAFE, to avoid duplication of facilities and noted that current financial arrangements appear to deter partnership arrangements.

- Stakeholders have argued that the lack of university recognition for VET pathways as part of Tertiary Entrance scores effectively ‘disinherits and dismisses students who want a dual pathway’. The lack of recognition for VET qualifications may also be a serious barrier to any expansion of VET activity generally, including School Traineeships.

- There is a general view amongst schools and colleges and other stakeholders that the community, particularly parents and students, did not understand the value of VET in Schools programs let alone traineeship options that could be pursued while still at school. A broad community education program would be needed as part of any expansion strategy.
There remains a degree of ambivalence in some schools about the value of VET in Schools. Most non-school respondents reflected adversely on a school culture which is still academically oriented and which does not promote or reward VET programs. The emphasis on Year 12 completion for its own sake devalued positive non-retention outcomes such as jobs or traineeships and apprenticeships. One school noted that traineeships would not be desirable as loyalty to an employer ‘may conflict with the ethos of our college community’.

A number of employers and industry representatives consulted remain to be convinced that the students undertaking VET in Schools programs will prove to be more valuable employees than those employed through direct recruitment of school leavers.

A high proportion of students already undertake VET in Schools programs combined with out-of-school part-time work. For this group there seems little incentive to undertake a School Traineeship.

Some stakeholders noted that any expansion of School Traineeships might threaten the availability of placements for existing programs. While school-based traineeships are more likely to appeal to larger enterprises, part-time school traineeships seem to be of limited value to employers given the amount of regulation. Casuals in limited roles are seen as a better recruitment option. Industry attitudes are variable with some (such as building) preferring off-the-job school/TAFE arrangements as preferred pre-entry pattern while others (such as hospitality) suffering seasonal variations, which made businesses reluctant to commit to a 2-year program.

Bureaucratic intransigence, unwieldy policy and unnecessary requirements in terms of working hours were all seen as significant barriers to School Traineeships. This is basically seen as a TASTA, OVET and Department of Education responsibility. The lack of guidelines for the basic operation of the agreements and uncertainty about funding arrangements were the most significant barriers.

Overall, there seems to be little evidence of industry or client demand for School Traineeships. However, there is a general demand for expansion of VET in Schools although that demand is currently constrained by a range of policy, funding and attitudinal impediments.
This second part of the report offers proposals for the future, derived from the discussion and analysis of quality issues provided in Part A. Although some of the proposals in this part have already been signalled in Part A, the intention of the following chapters is to provide a systematic and focused approach to improving the quality of the traineeship system in Tasmania.

The central organising idea of Part B is risk management.

Within a framework of risk management, specific areas of risk are identified and recommendations for managing these risks are put forward.

The three key areas of risk to the quality of Tasmania's traineeship system, identified in the following chapters, are:

- Commercial and legal compliance;
- Training and assessment practices; and
- Policy, planning and information systems.
6.1 Introduction

To the extent that quantitative evidence is available, the review has concluded that the quality of the traineeship system in Tasmania is, on average, satisfactory.

Tasmania has been able to avoid many of the major systemic problems confronting the traineeship system in some other States and Territories because of some astute decisions about training investment and management. In addition, the small size of Tasmania, generally cooperative relationships in the Tasmanian training industry and the overall professionalism of most stakeholders have all been factors in ensuring that the traineeship system functions reasonably well overall.

While this is not a bad result, it is no cause for complacency. Substantial work will be required to lift overall performance to a level which better meets stakeholder expectations.

Of greatest concern to this review is the absence of adequate auditing and monitoring arrangements in relation to compliance with contracts, legislation, regulations, agreements, protocols and the legal requirements under the ARF. The review has continuously struggled with the problem of how to draw firm judgements about quality in the total absence of effective compliance auditing and monitoring arrangements and with limited and not always useful data from strategic evaluations and internal data collections.

6.2 A Risky Business

Tasmania’s traineeship system represents an area of high risk to government, to industry, to individual trainees and to the community more broadly. This high risk profile results from the complex interplay of:

- multiple stakeholders in both the public and private sectors;
- substantial financial investments;
- multiple legal and commercial relationships;
- highly devolved and highly flexible training and assessment practices; and

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23 These decisions were (a) that the User Choice purchasing system would exclude purchasing training for existing employees unless special circumstances exist; (b) to discontinue User Choice funding for Certificate 11 in Small Business traineeships in those industries/occupations where there are alternative Certificate 11 pathways, unless compelling circumstances exist; and (c) to foster an open training market through a managed process, having regard to the viability of the training markets in each industry and region of Tasmania.
FUTURE DIRECTIONS AND RECOMMENDATIONS

- the location of the traineeship system at the intersection of economic and social policies.

The fundamental weakness in Tasmania's traineeship system is the absence of an effective and credible approach to risk management.

At present, too many stakeholders involved in traineeships are in survival mode, often preoccupied with short-term crises and with administrative processes which ultimately add limited value to the traineeship system. Accountability for outcomes and performance, which lies at the heart of both a quality traineeship system and risk management strategies, is given insufficient attention.

Unless risks to quality are systematically identified, analysed, evaluated, prioritised and treated, monitored and evaluated, significant improvements in the quality of the traineeship system are unlikely.

Table 3 below provides a first-cut by this review of the potential risks to quality in the Tasmanian traineeship system. It is an amended version of a risk matrix presented in the Report of the Independent Investigation into the Quality of Training in Queensland's Traineeship System prepared for the Queensland Vocational Education & Training Commission.24

It does not purport to be either comprehensive or particularly rigorous. Rather, its inclusion here is simply to illustrate the scope and size of risk involved in the traineeship system.

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Table 3: Potential Risks to Quality in Tasmania’s Traineeship System

<table>
<thead>
<tr>
<th>Broad Area of Risk</th>
<th>Risk</th>
<th>Level of Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial and legal relationships</td>
<td>Bankruptcy of contracted training provider</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Contractual disputes between OVET and RTO</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Stand-offs and lack of mechanisms for resolving disputes over contracted services</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Fraud, corruption or unethical practices by RTOs, employers, NACs, sign-up agents or OVET officers</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>RTO failure to deliver services as contracted under User Choice</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Failure of Group Training Companies to conform with current State Government agreement ‘Joint Policy and Guidelines for Group Training Companies’.</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Tasmanian Traineeship Incentive Scheme does not achieve government objectives</td>
<td>Likely</td>
</tr>
<tr>
<td>Economic circumstances</td>
<td>Continued growth in demand for traineeships</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>Skills shortages impede Tasmania’s economic development</td>
<td>Probable</td>
</tr>
<tr>
<td>Human behaviour</td>
<td>Employers and/or trainees do not fulfil their obligations under the Training Agreement</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Disputes between employers and trainees.</td>
<td>Probable</td>
</tr>
<tr>
<td></td>
<td>Business ethics not practiced by employers, RTOs, NACs or government officials</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Impaired performance by parties when system changes are introduced</td>
<td>Possible</td>
</tr>
<tr>
<td>Political circumstances</td>
<td>Change in State Government policy on economic development</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>Change in Commonwealth Government policy on New Apprenticeships</td>
<td>Possible</td>
</tr>
</tbody>
</table>

25 This Figure draws on a generic list of risk in McCuaig, B.(1998), 'Emerging Themes in Integrating Risk Management', address to SCPAC ‘98, Institute of Internal Auditors Australia, Canberra, 4 March
<table>
<thead>
<tr>
<th>Broad Area of Risk</th>
<th>Risk</th>
<th>Level of Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Likelihood</td>
</tr>
<tr>
<td>Competing policy priorities between State and Commonwealth governments</td>
<td>Probable</td>
<td>Very high</td>
</tr>
<tr>
<td>Public concern about costs of overheads in initial stages of User Choice</td>
<td>Probable</td>
<td>Very high</td>
</tr>
<tr>
<td>Training Market</td>
<td>Discontinuous supply in some instances</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Some regions inadequately serviced</td>
<td>Unlikely</td>
</tr>
<tr>
<td></td>
<td>Some industries inadequately serviced</td>
<td>Probable</td>
</tr>
<tr>
<td></td>
<td>RTOs do not deliver the training they are contracted for or do not deliver it to contractual service standards</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>RTO delivery and assessment practice does not conform to ARF standards</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>No incentives for RTOs to ensure quality in training or invest in quality improvements</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Inadequate learning support for trainee</td>
<td>Probable</td>
</tr>
<tr>
<td></td>
<td>Insufficient incentive to innovate for more flexible delivery</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>Non-completion rates prompted by trainee unhappiness with training remain at current high levels or increase</td>
<td>Probable</td>
</tr>
<tr>
<td></td>
<td>Inadequate information to the marketplace about traineeship policy, management and regulation</td>
<td>Likely</td>
</tr>
<tr>
<td>Management activities and controls</td>
<td>Poor corporate governance practices within OVET</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Dependency on contractors</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Increased industrial relations problems</td>
<td>Possible</td>
</tr>
<tr>
<td></td>
<td>Increased total costs of traineeships</td>
<td>Probable</td>
</tr>
<tr>
<td></td>
<td>Lack of competition for some contracts</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>Reduced accountability</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>Inadequate administrative systems to support traineeship management</td>
<td>Likely</td>
</tr>
<tr>
<td></td>
<td>Inadequate management information to guide decision-making</td>
<td>Likely</td>
</tr>
</tbody>
</table>
Part E  

Future Directions and Recommendations

This indicative risk profile suggests that there are many areas of high risk which need careful and active management. For a number of these risks, OVET has implemented or is planning to implement actions to deal with them and some of these are set out in Working Paper 1. However, because these actions are planned outside a risk management framework, the individual treatments proposed do not always address the risk.

6.3 What is risk management?

"Risk management", as defined by Standards Australia,

...is the term applied to a logical and systematic method of identifying, analysing, assessing, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to minimise losses and maximise opportunities.  

Guidelines for managing risk in the Australian Public Service state that

Risk arises out of uncertainty. It is the exposure to the possibility of such things as economic or financial loss or gain, physical damage, injury or delay, as a consequence of pursuing a particular course of action. The concept of risk has two elements, the likelihood of something happening and the consequence if it happens.

Risk management is an essential element of good management practice. It is not about risk avoidance, an approach which can stifle innovation and reduce flexibility. Nor is it about excessive centralised control, an approach which would run counter to good public sector management practice and to the principles underpinning the National Training Framework to which all States and Territories are parties. Rather, it is about risk minimisation which is compatible with the need for business performance, accountability, flexible and creative management practices and policies and strategies which progress the letter and spirit of national training agreements.

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26 Standards Australia (1995), Risk Management: Australia/New Zealand Standard 4360, Standards Australia, Homebush
The Department of Finance has put risk management in perspective.

*Risk management is not mysterious - it relies on judgement and analytical skills. It encourages managers to think about the risk to their programs and organisation and to optimise their protection against those risks, rather than to deal with problems on an ad hoc basis as and when they occur. Risk avoidance, in contrast, treats all risks as unacceptably high.*

6.4 Why Risk Management?

The fundamental objective of risk management is improved business performance and accountability. Uncertainty, scarce resources and rapidly changing organisational practices all increase risk but, as the Commonwealth Auditor-General has noted,

... risk management provides agencies with options to turn a survival imperative into business opportunities. Redesigning operations can achieve better outcomes with more efficient and effective management processes. It has been demonstrated that, for all the difficulties associated with its practical application, effective risk management offers one of our best strategies for being able to deliver improved outputs and outcomes in an era of greater public sector accountability for performance. That is the basis on which we will be judged and is the central answer to the question on 'why risk management'.

Unless risk is actively managed, the quality, integrity and long-term future of the traineeship system itself is at risk, thus placing all stakeholders and the community at large at risk.

6.5 Requirements for Effective Risk Management

Risk management is not a management technique bolted-on to existing management practice. It starts with a mind-set which pervades not only the agencies of government involved in traineeships – TASTA, TTAC, TAREC, OVET, the Department of State Development and the Department of Employment, Workplace Relations and Small Business - but all the other key players in the system, especially industry, employer and employee organisations, training organisations and sign-up agents.

While it is the task of government to provide leadership in building a risk management mindset throughout the traineeship system, it is a responsibility of non-government organisations involved in the system to actively contribute to and progress risk management within their own organisations and in the traineeship system as a whole.

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29 Barrett, P., (1998), Risk Management as Part of The Initiatives For Greater Public Sector Accountability, address to conference 'Risk Management in the Public Sector', Canberra, 18 March, Australian National Audit Office
To be effective, risk must be managed in a rigorous, systematic and holistic way and integrated into the day-to-day decision making of all stakeholders. The Commonwealth Auditor-General has noted that

...the main requirements of an effective risk management approach are management integrity and ethical values; a control environment; clearly specified objectives; risk analysis; information systems; control procedures; effective communication; mechanisms to manage change; and monitoring arrangements. These elements need to be applied, on a holistic basis, to different types of risk.  

6.6 How to Manage Risk?

The need for a risk management framework has emerged from analysis of the quality issues identified in Part A of this report. There are multiple models for managing risk and this review does not advocate the adoption of any specific model. However, generic approaches to risk management usually involve a number of steps which are not necessarily sequential:

- Establishing the context;
- Identifying risks;
- Analysing risks;
- Evaluating and prioritising risks;
- Treating risks;
- Monitoring and reviewing risks; and
- Documenting and communicating the risk management framework.

Recommendation 1.

TASTA and its committees should work together to develop and implement a comprehensive and integrated strategy for managing risk in Tasmania’s traineeship system, with particular attention to the risks to the quality of training delivery and assessment and non-compliance with commercial and legal agreements. The risk management strategy should be implemented from no later than April 2000.

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Pat Barrett (1996), Managing Risk: Perspectives from the ANAO, Address to COMNET, Canberra, 27 November, Australian National Audit Office, Canberra
CHAPTER 7
Commercial and Legal Compliance

7.1 Introduction

Quality improvements in the traineeship system need to be driven by a judicious blend of carrots and sticks.

To thrive, the traineeship system needs to create a climate in which quality training is able to be identified, valued and rewarded. A commitment to quality needs to be fostered amongst all stakeholders in the system. Such a climate is certainly developed through encouragement, support, pricing policies, best practice exemplars, developmental activities and various quality management processes.

But the traineeship system differs from both institutional training and from job creation or work experience programs in that it is a regulated system of structured training. Notwithstanding the long-term benefit of quality management processes, compliance auditing plays a vital part in fostering a climate of quality. If such auditing is not undertaken, then the rationale for the regulatory foundation of traineeships needs to be questioned.

There are four streams in which a stronger emphasis on compliance auditing is required:

- Compliance with the Australian Recognition Framework;
- Compliance with User Choice Contracts;
- Compliance with Training Agreement regulations; and
- Compliance with Service Agreements and Protocols.

7.2 Compliance with the Australian Recognition Framework

Pressure caused by the introduction of registration under the Australian Recognition Framework and the parallel introduction of User Choice, combined with the rapid expansion of traineeships in Tasmania since 1997, has meant that the existing resources of OVET have been stretched to their limits. Consequently, resources have been directed to initial registration of training organisations for RTO status and processing traineeship agreements.

As a result, no external compliance audits have been initiated to date by the Tasmanian Accreditation and Recognition Committee (TAReC). Compliance auditing has, in part, been constrained by the VET Act which has not been amended since the ARF came into effect. The proposed legislative changes, outlined in Chapter 4, will clarify the powers of TAReC to conduct audits, impose financial penalties and deregister non-complying RTOs.
In the meantime, there is no audit evidence that registered RTOs are operating in accordance with their registered scope and no assurance that RTOs are providing consistent quality training and training services.

The absence of compliance auditing of providers is a serious omission presenting an unacceptable level of risk. Priority should be given to auditing for ARF compliance those RTOs which have been awarded User Choice contracts.

The review is aware that to some proponents of quality management systems, compliance auditing is contrary to the continuous improvement principles underpinning total quality management. However, the National Protocol for External Review Processes within the Australian Recognition Framework makes it clear that compliance audits, while they may have a continuous improvement purpose, are essentially intended to determine whether the RTO is operating in accordance with its registered scope.

### 7.3 Compliance with User Choice Contracts

User Choice contracts represent an investment of almost $5 million per year for quality training which is then expended on behalf of government by 53 different contracted training organisations. However, no compliance audits of User Choice contracts have been conducted to date by OVET, although a strategic evaluation of the User Choice system has been conducted for OVET by the University of Tasmania.

The User Choice Service Standards within the User Choice contracts are reasonably detailed, providing some comfort that only those RTOs who can demonstrate that they are able to meet those standards are awarded User Choice contracts. There is however no audit evidence that successful contractors are in fact meeting their general contract obligations or delivering training and assessment to those service standards. There is a view within OVET that these service standards may need be amended to strengthen quality by specifying quality delivery and assessment practices. The review is not convinced that greater specification of inputs is desirable.

However, the absence of compliance audits for User Choice is a significant risk for government and needs to be addressed as a matter of urgency.

### 7.4 Compliance with Training Agreements Regulations

The *VET Act* specifies the requirements of the Training Agreement between an employer and the trainee and both the employer and the trainee are required to sign the agreement which sets out their respective obligations. The Training Program Outline (TPO) is not formally part of the Agreement but must be attached to the Agreement and signed by the trainee, the employer and the RTO. It is then approved by the Tasmanian Training Agreements Committee (TTAC). The Agreement document appears to work fairly well and no changes to it are proposed.

There are two areas of risk here which need to be managed.

The first is compliance with the Training Agreement. At present, TTAC has implicit legislative authority to ensure that an employer fulfills the obligations under the Training Agreement.
FUTURE DIRECTIONS AND RECOMMENDATIONS

this is to be made explicit in the proposed changes to the legislation. These changes are intended to ensure that the trainee is trained to the standards required for the qualification involved and that work requirements do not act to hinder the achievement by the trainee of the competencies required for the issuance of a qualification.

The second is in the area of dispute resolution. The level of complaint about training agreements has escalated during the past 12-18 months and appears to be on an upward curve. This has resulted in many more Section 68 disputes under the VET Act than previously experienced. Proposed amendments to the VET Act will better define the roles of employers in the Training Agreement and give enhanced powers to TTAC for dealing with disputes.

Both these developments raise serious questions about the role and capacity of OVET, (on behalf of TTAC) in relation to regulating Training Agreements. There is little point in strengthening regulatory requirements if the capacity to identify and act on breaches of those requirements is not considered at the same time.

Over the past 3 years the number of training consultants has declined by almost 50% to six positions, while the number of traineeship agreements has increased by more than 450%. Additional resources have been deployed to process the backlog of agreements generated by the previous guidelines of the Commonwealth Government on incentives for existing employees but it is unlikely to be cleared until well into the year 2000.

In this environment of limited resources, the role of training consultants in monitoring compliance with training agreements on-site has had to be abandoned, with consultants confining their role to advising and educating NACs, RTOs, sign-up agents, Group Training Companies and large employers to ensure that parties are aware of their obligations and responsibilities. They also become involved in second-stage dispute resolution where the training agreement is at risk by negotiating and mediating between the parties to the agreement.

To manage the risk of non-compliance with Training Agreement provisions, some strategic monitoring and auditing actions will be required, and resources will need to be deployed for this purpose. If they cannot be allocated, a fundamental plank in the regulatory framework of traineeships is put at risk.

7.5 Compliance with Service Agreements and Protocols

In addition to these fundamental audits, OVET’s compliance strategy should also encompass various agreements and protocols which have been developed or are under consideration.

These are formalised agreements with non-government organisations which have been developed to manage the interface between government and those external organisations in receipt of government grants or in government contracts outside the User Choice system. Three are particularly relevant in the context of this review.

- The current State Government Agreement with Group Training Companies, ‘Joint Policy and Guidelines for Group Training Companies’, developed in July 1998, provides no opportunity for auditing or ensuring quality. New Group Training Service Providers Quality Standards and evidence requirements have been developed nationally and
customised to suit Tasmania’s purposes. They come into effect in January 2000. It is commendable that these standards are to be audited independently on a 12 month basis.

- Since front-line advice to parties to training agreements is now provided by NACs, OVET is concerned to maintain the quality of advice provided. It is therefore working to develop protocols between NACs and TASTA as the State Training Authority.

- At present, NACs are the only sign-up agents to have their role and requirements specified. Agreements or other arrangements covering other sign-up agents do not specify their roles and responsibilities.

Such agreements need to clearly articulate the results expected, from whom, how those results are to be assessed or evaluated and how differences are to be arbitrated.

Recommendation 2.
TASTA, TAReC, TTAC and OVET should work together to develop an integrated and cost-effective strategic audit and review program for the traineeship (and apprenticeship) system in Tasmania, having regard to the analysis of risk arising from Recommendation 1. This Tasmanian Traineeship Audit and Review Program should be implemented no later than June 2000. It should aim achieve a sound balance between compliance auditing and strategic monitoring and evaluation and should have both accountability and performance improvement objectives. Appropriate resources should be made available to OVET to ensure this program is implemented.

Recommendation 3.
Independent auditors should be drawn from both industry and from OVET and should be thoroughly trained in audit procedures and practices.

Recommendation 4.
Following a rigorous risk assessment of the responsibilities within its charter, TTAC should include in its component of the Tasmanian Traineeship Audit and Review Program

a) a special-purpose audit of compliance with the Training Agreement under the VET Act; and
b) regular monitoring and review of training agreements in workplaces by training consultants.

7.6 Managing Conflicts of Interest and Promoting Business Ethics

Compliance activities outlined in the previous sections deal with the extent to which stakeholders are delivering the training services they claim to deliver. To this extent, treatment of risks of non-compliance is relatively straightforward.

Treatment of the risk of corrupt practices is not so straightforward. Generally speaking, corruption has four main distinguishing features:

- Misuse of a position of power;
Gaining of advantage for those who, actively and passively, are parties to the misuse; Undesirable effects on third parties; and Secrecy of the transaction.\textsuperscript{31}

As Part A indicated, no tangible evidence was forthcoming to this review to prove that corruption exists within the traineeship system. However there is a widely held view that it does exist in various subtle and often invisible forms. This view, even though unsubstantiated, undermines market and community confidence in the quality of the traineeship system.

The emergence of a training market has been one of the most significant features of training in Australia over the past decade. While some aspects of the training market, such as pricing and alignment between demand and supply are showing increasing sophistication, the issue of corrupt or unethical practices within the market place has never been formally considered in Tasmania or anywhere else to the review’s knowledge. This is a major omission and one to which attention now needs to be turned.

The training industry may not be as susceptible to corruption as other industries which involve major infrastructure and other large-scale projects or big-ticket capital items. It may be further protected by the fact that rarely does a contract or a sign-up or a registration or an incentive payment rest on the decision of one individual or a few people.

However, in a highly competitive if embryonic Tasmanian training market, where:

- many small training organisations of various forms in both the private and public sectors are struggling to remain viable or to establish a competitive edge;
- the ability of employers and trainees to identify and choose training based on its quality is not well developed;
- personal and professional networks are often intertwined; and
- where corruption and unethical business practices are rarely discussed publicly, the possibility of corrupt behaviour or unethical business practices cannot be ruled out.

Obviously, since many of the market players are companies, the directors of those companies are subject to the clear rule of common law that directors must not allow a conflict of interest to compromise their position. There are also statutory rules under Corporations Law which company directors are bound by. The \textit{Trade Practices Act} provides further protection against anti-competitive behaviour.

The publication \textit{Duties and Responsibilities of Directors and Officers}, published by the Australian Institute of Company Directors notes that...a common cause of potential conflict is where two companies with common ownership have an interlocking relationship in the same fields of business.\textsuperscript{32} This is often overlooked in considering conflicts of interest.

\textsuperscript{31} Leisinger, K. (1996), 'Multinational Corporations, Governance Deficits & Corruption', address to annual conference of the European Business Ethics Network, Frankfurt, Sept.18-20

However, the concerns expressed to this review extended beyond the legal environment of common law and statutory law into the less tangible area of business practices which, while perhaps legal are considered, by community standards, to be unethical.

This is a complex and important area. Both government and non-government organisations involved in traineeships have a part to play in creating a strong ethical climate for traineeships. Related to this is the need to provide the market with accurate, objective and timely information to employers and trainees about traineeships.

Recommendation 5.
Within the framework provided by the Tasmanian Traineeship Audit and Review Program developed under Recommendation 2, TAREC's auditing program for compliance with the ARF should pay particular attention to RTO compliance with the ARF Standard C7, Ethical Marketing and Advertising.

Recommendation 6.
In partnership with ITABs, TASTA should prepare, widely distribute and consult on a Discussion Paper on business ethics in the Tasmanian training market, with particular reference to ethical dilemmas and expected standards in the traineeship system. Responses to the consultations should guide decisions on what further action, if any, may be required.

Recommendation 7.
In partnership with ITABs and DETYA (Tasmania), OVET should sponsor a state-wide forum involving NACs, RTOs and sign-up agents to identify ways in which better quality market information could be provided to trainees and employers in Tasmania, having regard to the need for ethical marketing practices.
8.1 Introduction

Training and assessment are necessarily inter-related and interactive activities. It is difficult to make a sharp distinction between them, especially when assessment is used effectively throughout the training process - as it should be - to provide progressive feedback to the trainee and the RTO.

At the present time, there is no firm evidence to indicate whether the quality of training practices or assessment of trainees in Tasmania is poor or good, but the consultations did indicate:

- widespread recognition of the importance of quality assessment practice to quality training;
- concern from various stakeholders about possible decline in quality of assessments;
- lack of support for processes for auditing assessment practice;
- support for a system designed to disseminate best practice assessment; and
- support for a system which encouraged assessors to remain current in their professional practice.

8.2 Quality Assessment

Quality in assessment is not a matter which is confined to traineeships (or apprenticeships) but one which spans the entire training system. Chapter 1 canvassed the issues extensively and these will not re-visited here.

However, during this review, and arising from the review of traineeships in Queensland, Dr Larry Smith has been undertaking a review of quality in assessment in Queensland's training system. While his report is not finalised, three of his preliminary findings conveyed verbally to this review are particularly relevant to the Tasmanian context.

- Concerns about inconsistency in assessment may be less the result of inconsistent practice and more the result of a Competency Based Training system which allows only for a yes/no assessment of competence rather than graded assessment. Thus, many trainees may be assessed as competent yet they will each display varying degrees of capability, leading to perceptions of inconsistency in assessment. The issue of inconsistency in assessment may therefore be illusory.

- Workplace assessment presents many new challenges to trainers and assessors. While there is no shortage of information on what is required by virtue of policies and regulation, there...
is no professional reference point from which workplace assessors can seek assistance on quality assessment processes.

- The capacity of all employers to assess their trainees needs to be questioned. Dr Smith has found that workplace commitment to assessment appears to be based on the costs and time involved. Where costs and time are high, employers may have an incentive to resort to fudging the assessment, relying on gut feeling rather than considering assessment events against defined standards or may prefer to leave assessment to the RTO. The reliance on the workplace for assessors may, in some circumstances, impact on the quality of assessment practices.

8.3 Moving Forward

The Training Package system poses many new challenges to trainers and assessors. In response to these challenges, many stakeholders consulted argued for the inclusion in Training Packages of more comprehensive evidence and assessment guides and exemplars of assessment instruments.

This review does not believe this approach will necessarily improve quality. Under the National Training Framework, the professional judgement and expertise of the individual assessor is absolutely vital to the maintenance of holistic, valid and reliable assessment practices and thus to the statewide comparability of assessment outcomes and public confidence in nationally recognised qualifications.

The employment of personnel with the ability to design and conduct quality assessments goes to the very heart of the capability of a training organisation to meet their obligations under the Delivery Standards or Assessment Standards for Registration. Without such a capability, doubts must be raised about the claims of the training organisation for registration.

In these circumstances, OVET would be advised to put in place systems designed to maintain and improve quality and reduce the risk of damage to the integrity of traineeship qualifications. Such systems will, of course, have to take account of costs but should emphasise two matters: the development of the skills of workplace assessors and auditing delivery and assessment practices.

Recommendation 8.

TAReC, by virtue of its quality assurance role, and in partnership with ITABs, should establish an Assessors’ Forum in Tasmania and support it for a period of two years. This Forum should explicitly foster greater professionalism and ethical practice in workplace assessment and a climate conducive to self-regulation by encouraging assessors to

a) share assessment strategies and tools;
b) participate in voluntary assessment moderation activities; and
c) consider and create best practice examples of workplace assessment.
8.4 Non Completions

The rate of non-completion by trainees in Tasmania is better than the national average but still unacceptably high, adding substantially to the overall costs of the traineeship system and thus diminishing its quality. The complex interplay of personal characteristics, age, employment history, business conditions, industry conditions, training wages, mode of training delivery, training quality and information to trainees and employers means that there is no quick fix to the high non-completion rates.

Complexity however is not a rationale for a laissez-faire approach to non-completion.

From a State perspective, traineeship non-completions in general, and those arising specifically from trainee unhappiness with their training are a direct reflection on training quality. Such non-completions need to be monitored carefully to identify trends and patterns.

**Recommendation 9.**

TTAC should incorporate into its audit and review activities within the Tasmanian Traineeship Audit and Review Program an investigation of traineeship non-completions, especially where training-related issues are identified as contributing to non-completion.

Both the Tasmanian Government and the Commonwealth Government have a mutual interest in reducing traineeship non-completions and this is an area where joint action is required. The valuable analytical work undertaken by DETYA on non-completion is providing a sound basis for developing a more systematic approach to reducing non-completions in the interests of both efficiency and effectiveness.33

**Recommendation 10.**

OVET and DETYA (Tasmania) should establish a Joint Working Group to identify ways in which non-completion rates in Tasmania's traineeship system could be reduced and report on options for action by June 2000.

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9.1 Introduction

Policy, planning and information systems are inextricably linked and provide the foundation, along with risk management, for improving the quality of the traineeship system.

Some weaknesses in the policy, planning and information systems which support traineeships have been identified in Part A and strategies to overcome these are discussed in this chapter.

9.2 Policy Objectives for Traineeships

The traineeship system represents a significant investment by both Commonwealth and State governments, by companies and by individual trainees in the future skills base of Tasmania, with total taxpayer investment in 1999 running in the order of $20 million.

A key question facing the Tasmanian government therefore is whether it is currently receiving the best possible return on its own investment in traineeships of around $9 million annually.\(^3^4\) The answer depends on the returns that the State government is seeking, that is, its policy objectives.

One of the key definitions of quality is ‘fitness for purpose’. Therefore, the purposes or objectives need to be made explicit and need to drive the investment in the traineeship system.

While the traineeship system cannot have a single objective, overloading it with multiple and competing objectives, making it all things to all people, will diminish its chances of making a sustained difference to them or to Tasmania and thus erode its quality.

The Tasmanian government needs to consider the balance it wishes to achieve between the following four key policy options.

- The balance between employment objectives and skills development objectives.

  Because traineeships provide employment-based training, it is inevitable that both employment objectives and skills development objectives will be reflected in government objectives for the traineeship system. However, the fundamental policy choice is about where the primary emphasis should be placed.

\(^3^4\) This rough estimate comprises $4.8 million for purchasing training under User Choice, around $3 million in incentives for employment of trainees under the Tasmanian Traineeship and Apprenticeship Incentive Scheme, a component of the purchasing agreement with TAFE for the purpose of training delivery for traineeships and OVET overheads for management and regulation.
The State government has responsibility for developing the skills base of the State. It is not good public policy for it to use the regulated contracts of training system as a part of the State's "social safety net" for either individuals or communities experiencing economic hardship.\(^3\) Nor is it good public policy to use a training-based mechanism to achieve employment objectives. Other programs such as regional development or labour market programs are more suitable mechanisms for employment objectives. Therefore, the State government’s current policy position should be maintained and made explicit. That is, that the primary but not exclusive objective of the traineeship system is to improve the skills base of the Tasmanian labour force.

- The balance between new employees and existing employees

The second choice involves the balance between investment in young people making a transition into the labour market and investment in upgrading the skills of existing employees. Tasmania has already made the policy choice to focus its traineeship investment primarily, but not exclusively, on new employees. This policy position should be maintained and made explicit.

A role for government with respect to funding the training of existing workers is much less compelling than its role with respect to new labour-market entrants. Nevertheless, government may wish to make a financial contribution to upgrading the skills of the existing workforce. TAFE currently represents the government’s most substantial mechanism for achieving this objective. Other mechanisms such as the Individual Learning Accounts to be implemented in Britain from the year 2000 could also be considered. The general point to be made here is that the use of regulated traineeships for this purpose is unlikely to be the best way to achieve this objective.

- The balance between developing entry level skills and developing higher level skills.

One of the clearest trends in industries and companies in the new economy is the growing need for higher skill levels. In 1997 the OECD noted:

> Perhaps most significant is the change in the distribution of skills: upskilling is clearly under way in OECD economies, as high-skilled workers take a larger share of total employment and the demand for low-skilled workers declines. Employment growth has been mainly fuelled by the rise in white-collar high-skill jobs, sometimes the only ones to show an increase. Despite the different distribution of skills in manufacturing and services, upskilling is occurring in both sectors.\(^3\)

A recent major study on the training needs of industry by the Allen Consulting Group for the Australian Industry Group identified a clear shift in demand to higher skills at all

\(^3\) A point regularly made in the literature. See for example From Jobs for Workers to Workers for Jobs: Better Workforce Training for Minnesota (1999), A report by the Citizens League Committee on Workforce Training, at http://www.citizensleague.net/studies/workforce/finalreport.htm

This shift is also evident in the traineeship system, as discussed in Working Paper 1. However, much of the current shift reflects the increased number of traineeships being undertaken by existing workers. As far as this review has been able to determine from the data made available to it, State government investment (that is, funding for traineeships) remains primarily focused on Certificate level 11-111.

To remain relevant to the skill needs of companies and industries, government investment in traineeships will need to achieve a better balance across skill levels II-IV and, in time, across even higher levels.

- The balance between responding to company demand for traineeships and targeting training investment in priority industry areas.

Markets are usually far better mechanisms for signalling demand than centralised government planning systems. However, the training market is not a true market and the market for traineeships is deeply distorted by government investment through financial incentives, the purchase of training and by regulation.

Company demand for trainees cannot be regarded as the only market signal to which State government investment should respond. Investment in skills development is also determined by the directions that the government wishes to pursue to attract more knowledge-based industries and investment to Tasmania.

The State’s Industry Development Plan aims to diversify Tasmania’s economy, increase employment, increase exports and replace imports. The Industry Audits identified skill bottlenecks as a barrier to ongoing development in a number of industry sectors. Additional training funds have been allocated to TAFE Tasmania in particular to better match supply with demand for skills and a range of specific initiatives are being introduced.

Some adjustments have been made to the profile of traineeships purchased through User Choice but there is still much to do to get a better balance between company demand for traineeships strongly stimulated by government policy and government-identified demand for skill development in priority industry areas. Closer targeting of both training funds and financial incentives to the State’s economic development priorities is required.

**Recommendation 11.**

The Tasmanian government should affirm that the primary purpose of the traineeship system is to develop the Tasmanian skills pool through investment in employment-based training programs at all skill levels for new entrants to the labour market in those areas where there are significant skill shortages and in industries with potential for growth.

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Recommendation 12.
TASTA and OVET should work collaboratively with the Department of State Development to:

a) identify ways the planning process for traineeships can be made more responsive to the economic and social priorities of government; and
b) consider the way the Tasmanian Traineeship & Apprenticeship Incentive Scheme could be most productively used to provide support for quality training and skills development.

9.3 Traineeships in Schools

As Working Paper 1 indicates, demand for School Traineeships is very low and not projected to increase.

There are still many impediments to incorporating VET fully into the secondary school curriculum and credentials, ranging from barriers to the inclusion of VET courses in university admissions processes through to financial considerations and community perceptions.

Tasmania is currently developing a new framework which will permit VET in Schools to move forward. This framework will need to ensure that VET in Schools programs are supported by students, their parents, by school teachers and by employers. Demonstrating to the public that the approach is consistent with a focus on high academic achievement will be a major challenge.

Recommendation 13.
Until such time as a more explicit framework for VET in Schools in Tasmania is in place, expansion of the School Traineeship program should not be explicitly encouraged, although local decisions to implement School Traineeships should be supported.

9.4 Planning and Information Systems

Managers need good quality and integrated management information to support their decisions about traineeships, particularly planning, purchasing and risk management decisions. Quality management information systems for the traineeship system as a whole are not currently available in Tasmania.

Setting performance expectations following from explicit policy objectives presupposes the existence of appropriate information and systems to deliver that performance. Improved performance depends on making business processes far more efficient. But this is not enough to drive improved performance. Good data collection, monitoring and reporting systems are essential.

The traineeship system is intrinsically complex. It inevitably involves multiple transactions by multiple stakeholders across multiple industries across all three Tasmanian regions. It also is affected by wider developments in the training system, approaches to economic and social development and the industrial relations environment.

As a result of this complexity, management information about traineeships, where it is available, tends to focus on traineeship throughput – the numbers of trainees, participation
patterns and distribution across industries, qualifications levels etc. These are, of course, essential and valuable data sets but they are not sufficient for good performance management. What is also needed is quality data on costs, outcomes and impacts of the traineeship system and quality analysis and interpretation of that data.

Constructing outcome-oriented performance measures and reporting systems for the traineeship system will not be an easy task and this is an area where collaboration with other State Training Systems could be both efficient and effective. For example, Queensland is currently developing a balanced suite of strategic and operational performance indicators to capture the extent to which the objectives of the traineeship system are being realised over time. They are due to be implemented in the first quarter of 2000. Rather than starting with a blank sheet of paper, Tasmania could build its own performance reporting system having regard to developments in Queensland or other jurisdictions.

Because performance indicators for the traineeship system are derived from objectives, and objectives will vary to some extent between jurisdictions, Tasmania’s indicators will be specific to the State. Nevertheless, there will be overlap with other jurisdictions in some aspects and these areas of overlap form the basis of benchmarking.

**Recommendation 14.**

OVET should enter into a benchmarking project with other State Training Agencies with a view to developing and publishing annually a report card on the performance of Tasmania’s traineeship (and apprenticeship) system. The first Traineeship Report Card should be issued in December 2000.

Part A reported on RTO concerns about User Choice prices and their argument that current prices are reducing training quality. This review has not investigated whether these concerns are legitimate or attempts to lift prices to enhance profit margins. However, the introduction of Training Packages may be having some effect on RTOs costs and this will need be considered by OVET in setting User Choice prices for 2001.

**Recommendation 15.**

In the first half of 2000, OVET should conduct an internal analysis of the impact of the introduction of Training Packages on its pricing mechanisms to inform its price-setting arrangements for 2001.

### 9.5 A Question of Sustainability

This review has been undertaken from the assumption that the broad structure of the traineeship system remains sound and that quality improvements in Tasmania require some policy and management adjustments within a framework of risk.

However, the biggest risk is a long-term one – the sustainability of the traineeship system.

Apprenticeships in Australia have been decline since 1990. The new economy has different workforce requirements and is a different mix of primary industry, manufacturing and services
industries. New service-based industries have not yet developed training traditions and have different commitments to training.

While growth in traineeships have in part compensated for this decline, heavy government intervention has been necessary to stimulate demand and patterns of demand by level of skill in the absence of that intervention are not yet clear.

The study of industry training needs by the Allen Consulting Group referred to earlier sounds a warning about the long-term future of the structured entry-level training system.

*Our survey of companies indicates potentially difficult times for apprenticeships and traineeships. A minority of companies expect to be hiring strongly at the apprenticeship or traineeship level in the next three to five years and many (32 per cent) believe that traditional apprenticeships no longer meet the needs of their business......the more traditional focus of combining work and study is considered valuable and worth retaining, but not necessarily in the same way as in the past. New ways of combining work and study need to be found.*

These findings are consistent with those reported in Working Paper 2. In the evaluation by the University of Tasmania of 1998 User Choice in Tasmania, only 60.2% of employer respondents indicated satisfaction with the relevance of the training to their organisation. Similarly, the *Employer Survey conducted for the Review of the Outcomes from Contracts of Training* found that the reported satisfaction with the fit of apprenticeship and traineeship skills to business needs was only 61 per cent.

The pattern is relatively consistent in the literature - the work/study option provided through the contracts of training system is less and less appealing to companies, even though attitudes to work-study combinations are generally positive.

This projected decline in company demand for structured entry-level training and the concern of governments to find sensible policy responses, is not confined to Australia. It is a feature and a policy concern in many OECD countries, even in countries such as Germany which has long been considered the world benchmark for entry-level work/study combinations.

Governments here and overseas have used a range of incentives and disincentives to try to maintain and grow company demand for apprentices and trainees – a key objective since the whole system depends in the final analysis on company demand. In turn, this demand is heavily influenced by company and industry culture and training costs and by technological changes and the restructuring of work.

There is no doubt that Australia should and probably will continue on its current path for some time - experimenting with different combinations of different forms of incentive payments to employers and considering other instruments such as different tax regimes in order to achieve

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40 OVET Research Unit, August 1999
the right policy mix. Innovative efforts to market training and traineeships more effectively than in the past may also have a positive effect and should therefore be encouraged.

But such an approach is likely to have a limited life because companies are now organising their human resources in different ways in response to the pressures of globalisation. The Allen Consulting Group study has shed a harsh light on some of these new practices which are emerging in companies. The key findings derived from a survey, focus groups and interviews to gather the views of over 350 companies, included the following:

- growing emphasis on recruitment (rather than training) as a means to obtain generic technical and personal attribute skills;
- an increasing premium placed on generic skills;
- preference for training sponsored by the company to be delivered in the enterprise;
- greater use of group training schemes; and
- anticipated greater use of on-line learning.41

Having regard to the above discussion, the research and the consultations for this review, there are a number of implications for Tasmania’s traineeship system over the next decade.

- First, there is a need for an even stronger focus on the generic skills companies are increasingly requiring prior to recruitment – the hard skills (such as IT skills) and the so-called soft skills (problem-solving, ability to work in teams, ability to adapt etc) – that is on the Mayer Key Competencies. This has implications for school curriculum generally and VET in Schools in particular. In the mean-time, there is a need to look again at the value of post-school preparatory programs linked loosely to traineeships and which focus on the development of these generic skills.

- Secondly, as mentioned earlier, the traineeship system needs to diversify faster into the middle and upper level qualifications levels. While this is already occurring, there is a danger that traineeship training will become stuck and wither at the lower end of the skills hierarchy.

- Thirdly, alternative work/study combinations will be needed. Consideration needs to be given to the way young people who are undertaking part-time work either during school or after leaving school could be assisted and encouraged to undertake parallel relevant study.

**Recommendation 16.**

During 2000, OVET should initiate a wide-ranging dialogue with companies in Tasmania about different ways available training funds could be used to encourage additional company-based work/study combinations which are not necessarily regulated through the contracts of training system.

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The review will

c) Provide an overview of current arrangements relating to the quality of training for traineeships, including:

   a) processes for the registration and quality assurance of registered training organisations providing training and assessment for traineeships;

   b) the roles and responsibilities of registered training organisations as they relate to the quality of training including real or perceived conflict of interest;

   c) contractual arrangements for registered training organisations providing training and assessment for traineeships;

   d) the roles and responsibilities of the employer as a party to the training agreements in relation to the quality of training;

   e) State legislation including the role of TASTA in relation to the quality of training; and

   f) The impact of Commonwealth policy in respect of arrangements with a bearing on the quality and relevance of training; such as the establishment, roles and responsibilities of New Apprenticeship Centres and Commonwealth subsidy arrangements.

2. Investigate the effectiveness of current arrangements in assuring the quality of training outcomes for traineeships.

3. Identify issues relating to the quality of training and comment on the extent to which these issues are currently being addressed.

4. Develop an action plan which integrates current and projected activities to ensure the quality of training for traineeships.

The final report will

a) Provide a quantitative and qualitative snapshot of the traineeship system in Tasmania as a whole

b) Provide an analysis of the issues relating to the quality of training for trainees

c) Provide an examination the extent to which the current administrative arrangements support a quality the traineeship system.

d) Make recommendations for improving the quality of training for trainees in Tasmania
Note that many listed below attended more than one consultation session

Susie Allen  TAFE Tasmania
Jane Bell  Tasmanian Community, Property and Health ITAB
Derek Bendall  Tasmanian Forest Industry Training Board
Helen Bennett  TAFE Tasmania
Kate Blizzard  TAFE Tasmania
Marc Bowles  Working Futures
Julie Boyd  Global Learning Community/Working Futures
Steven Brown  DETYA
Jennie Brice  OVET
David Castle  Competency Based Training
Vicky Cleaver  TAFE Tasmania
Peter Coad  Building and Construction Industry Training Board
Andrew Colman  Island State Group Employment
Bob Cope  OVET
Doug Crawford  TAFE Tasmania
Jenny Daley  Jenard Training
Yiannis Dimitriou  OVET
Ken Dobbie  Tasmanian Food Industry Training Board
Brian Dowse  Insight Information Services
Polly Eckert  Working Futures
John Francis  TAFE Tasmania
Joe Furlani  DETYA
John Glisson  NGT Tasmania
Kathryn Granny  NGT Tasmania
Grant  TTAC/AMIEU
Paul Griffin  TTAC/Shop Distributive and Allied Employees
Donna Harding  Competency Based Training
Joe Harrold  Northern Joblink Inc
Natasha Hayes  Northern Joblink Inc
Peter Hunt  People Source
Neil Johnston  TAFE Tasmania
Leon Jones  NGT Tasmania
Brian Kearns  Willson Training
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Miles Kerr  Island State Group Employment
Paul Lenard  TAFE Tasmania
Glenn MacGowan  Banjo's
Lynn McClennaghan  Newstead College
Helen McDonald  Australian Physiotherapists Association
Laurie Miller  TAFE Tasmania
Paul Monson  People Source
Richard Mulligan  NGT Tasmania
Jo Murray  Pelion Consulting
Kathy O'Dea  TAFE Tasmania
Peter O'Brien  DETYA
Joanne O'Neill  NGT Tasmania
Sue Paine  TAFE Tasmania
David Palmer  Willson Training
Jo Pennington  Launceston College
Amal Provan  WRAPS Industry Training Advisory Board
John Redgrove  Tasmanian Tourism Industry Training Board
Craig Riley  Willson Training
Wendy Rockliffe  Elizabeth College
Jan Schramm  Willson Training
Terry Shearing  TAFE Tasmania
Fiona Small  TAFE Tasmania
Judy Speer  EO Tasmanian Light Manufacturing Industry Training Board
Michelle Strickland  NGT Tasmania
Sheryl Thomas  Tasmanian Employment Advisory Council
Belinda Tierney  NGT Tasmania
David Traynor  Bay Training
Malcolm White  TAFE Tasmania
Eric Willie  Automotive Manufacturing and Engineering Industry Training Board
S R Zichy-Woinarski  Tasmanian Rural Industry Training Board

Individual Interviews

Lynne Fitzgerald  Tasmanian Trades and Labour Council
Peter Griffin  National Training Framework Committee
Tony Jewson  Tasmanian Chamber of Commerce and Industry
Chris Johnson  Tasmanian Chamber of Commerce and Industry
Geoff Kelly  Department of State Development
Chris Paterson  Health and Community Services Union
John Smyth  CEO, TAFE Tasmania
Appendix 3

Written Submissions

Arts, Communication, Information Technology, Printing and Recreation Industry Training Advisory Board
Australian Manufacturing Workers’ Union
Fishing Industry Training Advisory Board
Insight Information Services Pty Ltd
Island State Group Employment
Jenard Training and Personnel
JobNet Tasmania
Launceston College
Launceston Workplace Learning
Marist Regional College
Mersey Skill Training
Public Administration, Finance and Business Services Industry Training Advisory Board
TAFE Tasmania
Tasmanian Chamber of Commerce and Industry
Tasmanian Community, Property and Health Services Industry Training Advisory Board
Tasmanian Food Industry Training Board
Tasmanian Rural Industry Training Board
Tasmanian Senior Secondary Assessment Board (TASSAB)
Tasmanian Trades & Labour Council
Tasmanian Training Agreements Committee
Tasmanian Transport and Distribution Industry Training Board Inc
### Key Bodies in the Tasmanian Training System

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| **Tasmanian State Training Authority** (TASTA) | • Advise the State Minister on VET system operation including policies & funding  
Comprises nine people representing industry, employer and employee bodies. Legislation ensures that membership reflects regional interests  
• Develop the State Training Profile consistent with the National Strategic Plan  
• Promote development of the State training system |
| **Tasmanian Accreditation and Recognition Committee (TAREC)** | • Registering training organisations  
The Committee is comprised of nine people representing key players in vocational education and training.  
• Accrediting training courses, short courses and programs  
• Quality assurance |
| **Tasmanian Training Agreements Committee (TTAC).** | • Approves vocational pathways as the basis of registering training agreements  
The Committee is comprised of six industry-based members  
• Issues guidelines and procedures for the operation of vocational placements and training agreements;  
• Provides advice to TASTA on these matters;  
• May conciliate or arbitrate disputes arising from the terms, conditions and operation of training agreements. |
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<tr>
<td>Registered Training Organisations</td>
<td>• Develop training delivery products and processes</td>
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<td>• Assess participants and grant RPL</td>
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<td>• Conduct training</td>
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<td>• Assess competency development</td>
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<td>• Maintain records of trainees</td>
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<td>Comprising TAFE Tasmania, Group Training Companies, private providers, skill centres, community providers, enterprises</td>
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<td>State Industry Training Advisory Boards</td>
<td>• Assist in the development of competency standards and Training Packages through participation in identification and validation processes</td>
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<td>• Identify training pathways</td>
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<td>• Research and profile industry-wide and sector trends</td>
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<td>• Identify enterprise needs through contact with employers and unions</td>
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<td>• Give input to the State Training Profile</td>
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<td>• Develop strategic industry plans for training package implementation</td>
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<td>• Help design traineeships</td>
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<td>• Arrange for curriculum to be written</td>
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<td>• Assist with professional development</td>
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Author/s:  
Schofield, Kaye

Title:  
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Date:  
1999

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