



The Right People at the Right Time: Developing a Skilled Workforce that meets the needs of Queensland's Economy

**BLUEPRINT FOR QUEENSLAND'S EDUCATION
AND TRAINING SYSTEM**

NOVEMBER 2011

Contents

1.0 INTRODUCTION	1
2.0 BACKGROUND TO WORKFORCE ISSUES	2
- QUEENSLAND'S PATCHWORK ECONOMY	2
- THE EDUCATION AND TRAINING SYSTEM IN CONTEXT	3
3.0 QUEENSLAND BUSINESS VIEWS ON THE EDUCATION AND TRAINING SYSTEM	4
4.0 PRIORITY 1: A STRONG START, FIRM FOUNDATIONS FOR SKILLS DEVELOPMENT	7
- FOUNDATION SKILLS AND EDUCATIONAL OUTCOMES	8
- TEACHER WORKFORCE ISSUES	10
5.0 PRIORITY 2: DRIVING AMBITION, CAREER ADVICE AND MENTORING TO IMPROVE ENGAGEMENT	12
6.0 PRIORITY 3: DEVELOPING POTENTIAL, EQUIPPING INDIVIDUALS WITH SKILLS OUR ECONOMY NEEDS	15
- QUALITY ISSUES	17
- LIFELONG AND CONTINUOUS LEARNING	18
- PATHWAYS AND HIGHER LEVEL SKILLS	18
- VET WORKFORCE ISSUES	19
7.0 PRIORITY 4: MAKING SKILLS WORK, ENGAGING EMPLOYERS AND DRIVING DEMAND FOR SKILLS	20
- ENGAGEMENT STRATEGIES AND INDUSTRY CONSULTATION	20
8.0 PRIORITY 5: INVESTING IN A SUSTAINABLE WORKFORCE, CONTINGENCY PLANNING FOR ECONOMIC AND ENVIRONMENTAL IMPACTS ON TRAINING INVESTMENT	23
9.0 CONCLUSION	24

"The marketing and promotion of apprenticeships and traineeships is never enough. In my opinion you can never have too much awareness and zero promotion obviously doesn't work. There isn't enough knowledge for school kids in what manual trades are out there. I don't think that they get influenced to take on a trade by any group more than any other, yet they need to have information available if they do show an interest."

"It would be better if there were more modules that could be signed off in the workplace. It is unnecessary to go to the college where it takes much longer."

- *Queensland Business Operators*

1.0 Introduction

- 1.1 Future educational attainment in Queensland will be a key determinant of individual, social and economic prosperity. From the point of view of the Queensland economy, levels of education and training are directly related to workforce participation and productivity. Future policies that deliver an increase in education and training levels and support workforce development are likely to have wide ranging benefits for businesses, individuals and society as a whole.
- 1.2 The correlation between education levels, participation and productivity is well documented. For example studies have shown that:
- Early school leavers tend to be less likely to work and tend to earn less when they are employed compared with people who complete year 12 or equivalent
 - For every additional year of education, the earnings of an Australian worker increases by between 5.5 and 11 per cent, all other things being equal¹
 - Every additional year of education may raise the level of productivity by between 3 and 6 per cent for a country with Australia's current average educational level. These effects are three times as great as for investment in physical capital.²
 - If the percentage of young people completing year 12 or its equivalent were increased from 80 per cent to 90 per cent, GDP would be \$1.8 billion higher in 2020 than it would otherwise have been.³
- 1.3 Historically Australia has had a relatively low level of educational attainment compared with other industrialised countries. The average Australian of working age has undertaken around 12.9 years of education, while US counterparts have studied for 13.9 years. This gap is strongly attributed to the differences in productivity between the two nations.
- 1.4 A skilled and educated workforce in Queensland is essential to productivity and sustainable economic growth. Not only are more skilled workers potentially more productive in their own right, but a highly skilled workforce is likely to impact significantly on the effectiveness of capital investment and the ability of workplaces to embrace innovative work practices and technological advances.
- 1.5 There are few more frustrating experiences for business than identifying profitable opportunities for growth which they cannot take advantage of because they have difficulty recruiting appropriately skilled staff. Where this occurs opportunities are not only lost for the business concerned, but for the community as a whole including those individuals who cannot take advantage of the available job opportunities.
- 1.6 Therefore it is important that Queensland's education and training system ensures that the skills our economy and businesses require are available and that the best possible use is made of those skills by employers and individuals.
- 1.7 This blueprint aims to deliver a framework for achieving an efficient education and training system which produces a more productive workforce and supports a more competitive and sustainable economy. Our State needs a skilled population and an economy that makes full and productive use of these skills. This will be central to building a competitive and progressive Queensland. We need employers that demand, value and make best use of their workforce's skills. We need people who are hungry to continually learn new skills and a system which provides the required support to help all individuals realise their aspirations and achieve their potential. Finally we need learning and training providers who work with the business community and individuals, and a system which employs latest technology and best-practice to reduce barriers of demography and geography to provide equal access to all Queenslanders. This blueprint focuses on these issues.

“One problem is the training providers are mostly aware of the subsidies that we get and structure their fees accordingly. Example, if we get \$1500 they charge \$1500, and I don't think that we get \$1500 worth of value.”

“A lot of employers are not taking on apprentices. They have to pay for 4 lots of tool allowances and 4 lots of colleges and the return on investment to employers is bad. The costs per hour to employ have actually gone up.”

– *Queensland Business Operators*

¹ Productivity Commission (2006). *Potential Benefits of the National Reform Agenda: Productivity Commission Research Paper*. Canberra.

² Organisation for Economic Cooperation and Development (2003). *The Sources of Economic Growth in OECD Countries*, Paris: OECD.

³ Business Council of Australia (2003). *The Cost of Dropping Out: The Economic Impact of Early School Leaving*. Melbourne: Business Council of Australia.

2.0 Background to Workforce Issues

QUEENSLAND'S PATCHWORK ECONOMY

- 2.1 The Queensland economy has performed strongly over the decade to 2009 compared to the rest of Australia. Gross State Product (GSP) in Queensland between 1999 and 2009 grew by 72 per cent, only marginally less than the highest growing state, Western Australia. Queensland's growth over this period was significantly higher than the national growth rate of 54%.¹
- 2.2 Driven by strong economic growth over this period, Queensland's population also grew strongly, recording the nation's highest population growth rate of 25.86%. The State's population is expected to continue experiencing strong growth, increasing to 6.1 million in 2026 and 9.1 million by 2056.²
- 2.3 The age structure of Queensland's population has changed considerably over this period, demonstrating a long-term trend towards an aging population. Over the next 25 years the proportion of the population aged over 50 (those approaching retirement) is expected to grow by 67% compared to those aged 20-49 (new entrants and existing workforce) which is only expected to grow at a rate of 36.5%.
- 2.4 A growing population, strong underlying economic growth and workforce demographic issues have placed considerable strain on the availability and supply of skilled workers in Queensland, especially in regional areas of the state where only 34% of the current population reside (compared to 66% of the population residing in SEQ).³ Workforce recruitment and retention issues are consistently viewed as one of the most significant challenges facing the business community during this period.
- 2.5 However since late 2008, the global financial downturn, high exchange rates and the wide-spread impact of the 2010-11 natural disasters have resulted in a deterioration of Queensland economic conditions. Poor consumer confidence, reduced revenue and increasing operational costs have progressively eroded business profitability outside the resources sector, leading to the emergence of a two-speed economy which is evidenced by the below table.

PERFORMANCE OVER CURRENT YEAR COMPARED TO PREVIOUS 12 MONTHS			
	Good (More than 50% said it was better)	Bad (Between 50 – 70% said it was worse)	Worse (More than 70% said it was worse)
Region		<ul style="list-style-type: none"> • Wide Bay (57%) • Central Coast (Mackay) (63%) • Sunshine Coast (64%) • Brisbane (68%) 	<ul style="list-style-type: none"> • South West Queensland (71%) • Far North Queensland (Cairns) (75%) • North Queensland (Townsville) (76%) • Gold Coast (78%) • Central Queensland (Rockhampton) (80%)
Industry	<ul style="list-style-type: none"> • Communication Services (64%) • Mining (100%) 	<ul style="list-style-type: none"> • Other (55%) • Wholesale Trade (56%) • Personal and Other Services (58%) • Manufacturing (63%) • Agriculture, Forestry & Fishing (63%) 	<ul style="list-style-type: none"> • Property and Business Services (71%) • Accommodation, Cafes & Restaurants (78%) • Finance and Insurance (80%) • Retail Trade (80%) • Construction (81%) • Cultural and Recreational Services (83%) • Education (86%) • Health and Community Services (89%) • Transport and Storage (89%) • Electricity, Gas and Water Supply (100%) • Government Administration and Defence (100%)

Source: CCIQ 2011 Snap Poll

- 2.6 The patchwork nature of Queensland's economy presents unique challenges, with some regions experiencing significant skills shortages and tight labour market conditions while others have increased unemployment and high rates of skills underutilisation. The economic inequality among Queensland regions is expected to continue with major coal and liquefied natural gas (LNG) projects in the pipeline.
- 2.7 Difficult trading conditions and reduced business activity during 2011-12 has impacted on the capacity of businesses to commence and retain Australian Apprentices and to invest in development of the existing workforce. This will further compound anticipated future skills shortages and reduce business confidence in the capacity of the workforce to meet skills needs.

¹ ABS Australian National Accounts State Accounts, December 2009, cat no 5220.0

² Office of Economic and Statistical Research (2011). Queensland Government population projections to 2056: Queensland and statistical divisions. Brisbane.

³ ABS 2009-10 Regional Population Growth, March 2011, cat.no. 3218.0

2.8 Alongside these developments, like most economies in the developed world, Queensland is affected by a number of well documented trends that have implications for ongoing economic and social wellbeing and must be accounted for in future planning and policy development. These include:

- The competitive pressures of globalisation
- More flexible, mobile workforces
- The rapid pace of technological change
- Newly emerging industries and occupations
- Climate change

THE EDUCATION AND TRAINING SYSTEM IN CONTEXT

2.9 Over the past decade, there have been a number of significant changes to the education and training system in Australia and Queensland.

FEDERAL GOVERNMENT

- 2.10 At a national level, under the direction of COAG and its productivity agenda, subsequent Australian Governments have injected significantly more funds into the education and training system, undertaken a number of reviews of the education, vocational and tertiary sectors and established proactive targets for improving the outcomes of Australia's education and training system.
- 2.11 These reforms include the current Australian Government's 'Education Revolution' agenda which has seen increased funding to government and non-government schools, investment in school infrastructure and technology, a renewed focus on foundation skills such as literacy and numeracy, programs to develop high-quality teachers, greater transparency in school performance data, reporting and assessment, and the development of a national curriculum.
- 2.12 Equally important has been the Australian Government's Vocational and Higher Education reform agenda which includes a National Agreement on Skills and Workforce Development and the Federal Government's response to the Bradley Review "Transforming Australia's Higher Education System". Key reform initiatives include changes to education and training funding and financial support; improved pathways and relationships between the vocational and higher education sectors; new governance models including a single regulator for VET and higher education; and significant reforms to training products, services, information systems and regulations to meet a more demand and client driven system.
- 2.13 The Australian Government has strongly indicated its intention to undertake further significant reforms to vocational education and training and Australian apprenticeships. The 2011-12 Federal Budget committed funding to provide for longer term vocational education and training reforms under the Building Australia's Workforce package. These reforms will be "directed at improving access, equity and quality this includes driving systemic change in early childhood, school and tertiary education, skills development and workforce participation."¹
- 2.14 The future reform agenda for vocational education and training is likely to be underpinned by Skills Australia's Skills for Prosperity report and the Expert Panel's Apprenticeships for the 21st Century report. Released in early 2011, these reports delivered substantial recommendations for reform of the vocational education and training sector and the Australian apprenticeship sectors respectively.
- 2.15 This blueprint is designed to complement these reports, providing a specific focus on the existing education and training system in Queensland.

QUEENSLAND GOVERNMENT

- 2.16 Queensland's ambitious reforms to the education and training system commenced in 2002 with the Education and Training Reforms for the Future (ETRF) initiative followed by the development of the Queensland Skills Plan 2006 and subsequent Skills Plan 2008. Collectively these reform agendas have delivered a number of significant outcomes including:
- Queensland led Australia to introduce the 'earning or learning' changes in 2006 where the school leaving age was raised to 16, with young people required to be 'earning or learning' for another year after that.
 - In 2007, Prep Year was introduced to all schools for all Queensland children in the year before school.
 - In 2008 changes to the school starting age at Year 1 were introduced making students on average six months older when they start school and bringing Queensland closer in line with other states and territories.
 - The introduction of Senior Education and Training Plans to help students plan diverse education and career pathways that can be recognised through the Queensland Certificate of Education, which was first issued to Year 12 graduates in 2008.
 - In state schools, the middle phase of learning action plan saw class size targets reduce from one teacher for every 30 students to one teacher for every 28 students in the middle years providing Queensland with one of the lowest middle years class size targets in the country.
 - From July 2010, changes to user choice funding were introduced to better align public funds to priority training areas and encourage greater contestability across the whole public and private training sector.
 - The establishment of Skills Queensland from January 2011 with responsibility for directing Queensland Government investment in education and training, advising on policy development and engaging with industry.
- 2.17 CCIQ is supportive of the Queensland and Australian Governments' reform agenda and their investment in skills development and productivity. However CCIQ believes there remains areas needing attention to align Queensland and Australia's education and training system with international best practice and improve skills and learning outcomes for the Queensland business community.

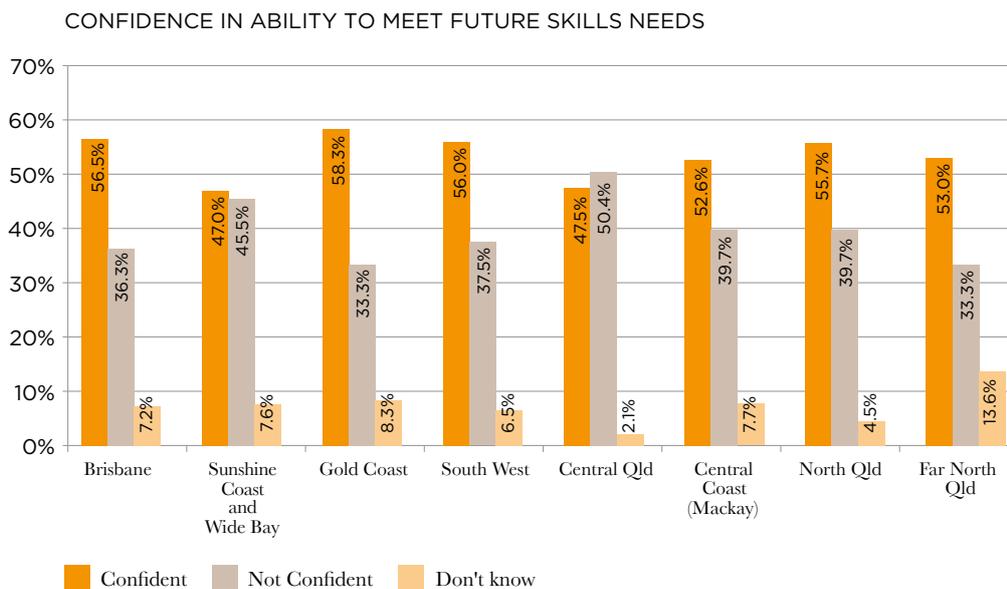
¹ DEEWR Portfolio Budget Statement 2011

3.0 Queensland Business Views on the Education and Training System

- 3.1 CCIQ has conducted an Education and Training Survey to understand employer views, issues and expectations of the education and training system and identify current and future workforce challenges facing Queensland businesses. Additionally CCIQ facilitated a series of regional consultation forums designed to identify issues and opportunities for improving youth education and transition and addressing regional skills shortages. These forums were attended by key stakeholders including business and industry, education and training providers and community organisations.
- 3.2 Most businesses were reasonably confident that there would be sufficient skilled people available in the future to meet their organisations' skills needs in low and intermediate level jobs. However employers were not confident that there would be sufficiently skilled people available to fill high level and management jobs in the future. This suggests a vital need to target education and training efforts to meeting this future need.

HOW CONFIDENT ARE YOU THAT THERE WILL BE SUFFICIENT SKILLED PEOPLE AVAILABLE TO YOU IN THE FUTURE TO MEET YOUR ORGANISATION'S SKILLS NEEDS?				
	Employees in low level jobs	Employees in intermediate level jobs	Employees in high level/ management jobs	Average All Employees
Confident	63.5%	50.2%	45.3%	53.0%
Not Confident	29.6%	43.0%	47.5%	40.0%
Don't know	6.9%	6.8%	7.2%	7.0%

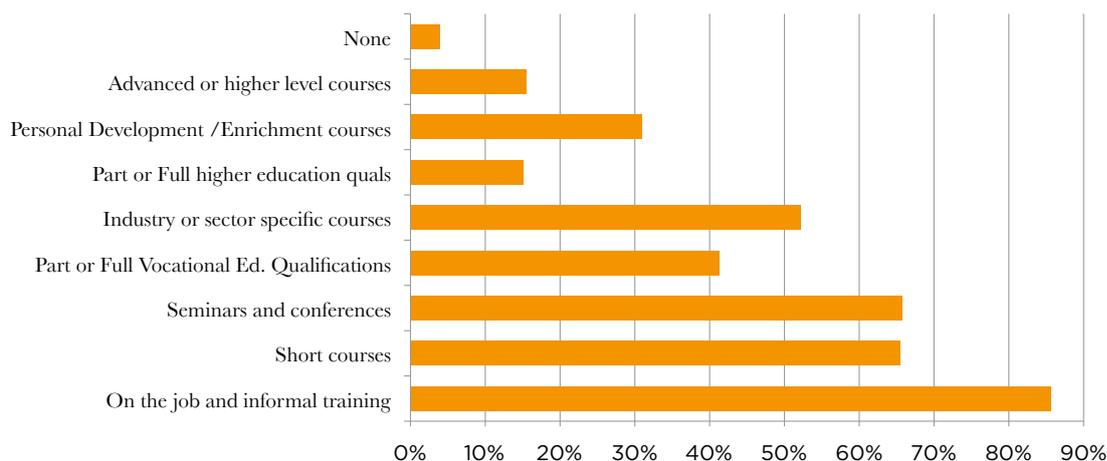
Source: CCIQ Education and Training Survey



Source: CCIQ Education and Training Survey

- 3.3 However the survey results show that skills shortages are more of an issue in Queensland's regional centres. A higher number of employers indicated they were not confident in their ability to find skilled workers to meet future workforce needs in regional Queensland compared to those in SEQ.
- 3.4 Employers in the Central Queensland and Sunshine Coast/Wide Bay regions in particular anticipate a significant shortage of skilled people available to meet their future needs for intermediate level, high level and management jobs.
- 3.5 The most common types of training provided by employers over the past 12 months were on the job and informal training (85.6%), seminars and conferences (65.8%), short courses (65.5%), and industry or sector registration related courses (52.2%). What is significant about these forms of training is that they do not lead to formal qualifications for employees.

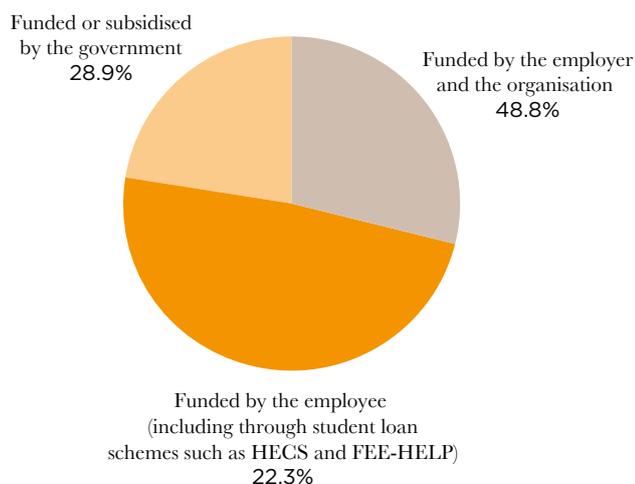
TRAINING PROVIDED BY EMPLOYERS OVER THE PAST 12 MONTH PERIOD



Source: CCIQ Education and Training Survey

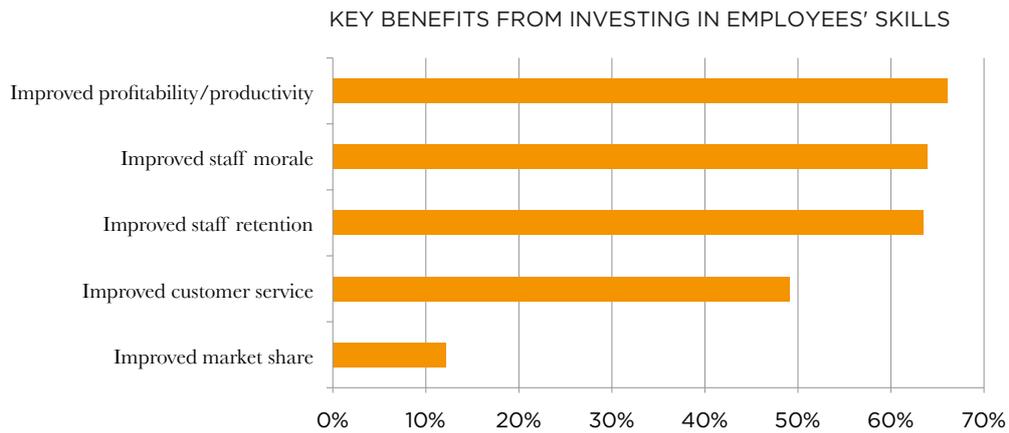
- 3.6 Participation in apprenticeship and traineeship training schemes is strong in Queensland. Over 50 per cent of respondents indicated that they currently engage an apprentice or trainee, of which 28.3 per cent indicated they had plans to increase in the future and 21.3 per cent indicated that they would remain involved at current participation levels (see section 6.4).

SOURCES OF FUNDING FOR TRAINING



Source: CCIQ Education and Training Survey

- 3.7 The majority (48.8 per cent) of the training and courses completed by employees in the past 12 months was funded by the employer and/or the company.
- 3.8 Only 28.9 per cent of training was funded or subsidised by the government and a further 22.3 per cent was funded by the employee including through student loan schemes such as HECS and FEE-HELP. Employers commonly commented that the training they required was not eligible for government funding or that the government subsidised training available was not practical, suitable or preferred.
- 3.9 Most employers recognised the key benefit from investing in education and training for their employees as improved profitability and productivity. Employers also indicated they benefited from improved staff morale and staff retention.



Source: CCIQ Education and Training Survey

3.10 When asked what would encourage greater employer and business investment in education and training, common responses included:

- greater financial capacity (including more financial support from government and increased business profitability to justify training expenditure);
- greater flexibility in the training available;
- ensuring that training meets the needs and challenges of businesses; and
- more staff commitment to training and to the business itself.

“It needs to be overhauled and streamlined to give more flexibility. The individuals in TAFE see what they need to do, but they just can’t get the money to do it. There are some good people in TAFE but they are hamstrung by the bureaucracy and the restricted budget funding.”

“The quality of the training is not too bad, but there are inconsistencies. I have people in two institutes [TAFEs], one at Wide Bay and the other at Eagle Farm. There are significant differences between the learning outcomes and modules. This is from the apprentice feedback, for example the drawing interpretation. I am not sure why this is.”

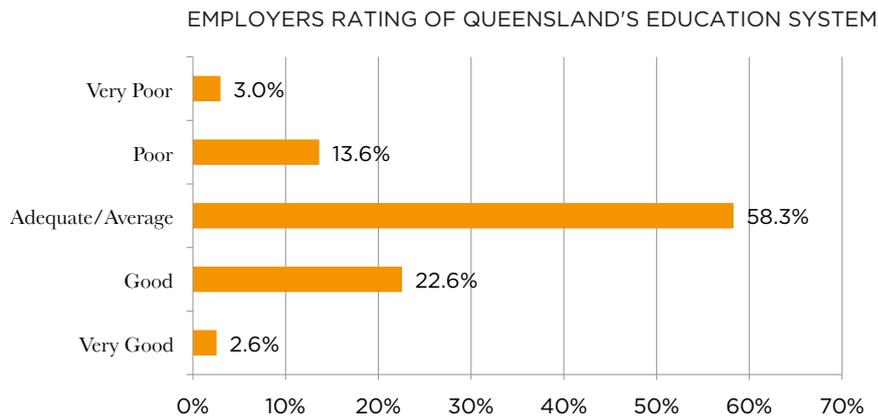
“The block approach is dreadful. It’s disruptive to the apprentice and the employer. The apprentices come back and have these new skills but can’t always put them into practice.”

“We were really flat out last year and couldn’t get people but now we are getting phoned 5 times a day with people looking for work, young and old. A lot of them are apprentices who have been terminated by other companies as there is no more work.”

– *Queensland Business Operators*

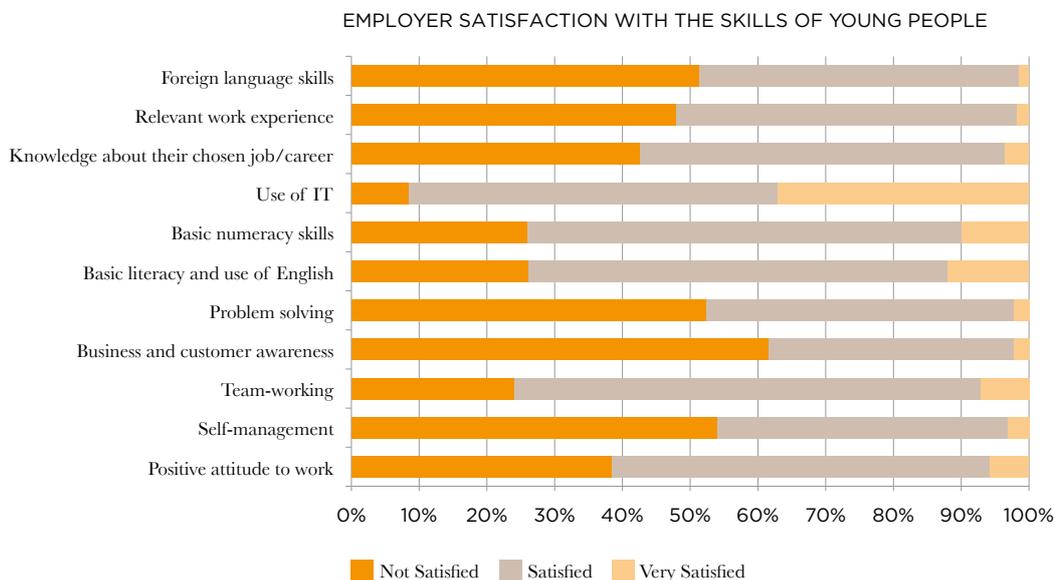
4.0 Priority 1: A Strong Start, Firm Foundations for Skills Development

- 4.1 Our schooling system, including early years, primary and secondary school education, is important as it forms the foundation for further education (vocational training and university) and prepares students for the world of work. The quality of the education they receive is fundamental to young peoples' ability to achieve success in life and contribute to Australia's social and economic prosperity. For this reason the Queensland business community has a vested interest in ensuring our schooling system is of the highest quality and delivers the best educational outcomes for all students.



Source: CCIQ Education and Training Survey

- 4.2 Queensland employers identify significant opportunity for improvement of the outcomes being achieved from Queensland's education system and do not believe that young people are graduating with the full ability to successfully move into work or further education.
- 4.3 More than half (58.3 per cent) of respondents to the CCIQ Education and Training Survey rated the education system as only adequate or average. Only 25.2 per cent considered it to be good or very good while 16.6 per cent believed it poor or very poor.
- 4.4 Employers were most unsatisfied with young peoples' business and customer awareness (61.6%), self-management skills (54.0%), problem solving abilities (52.5%) and foreign language skills (51.2%). The amount of relevant work experience completed by young people and their level of knowledge about their chosen job and career were also issues for employers. Young people's use of Information Technology (IT) was the only skill area that employers were very satisfied with.
- 4.5 Furthermore, 33.5 per cent of employers disagreed that what students learn at school and the subjects they study is meeting the needs of employers and is relevant to the workforce. Only 25.4 per cent of employers agreed that the curriculum was industry relevant and meeting their needs.

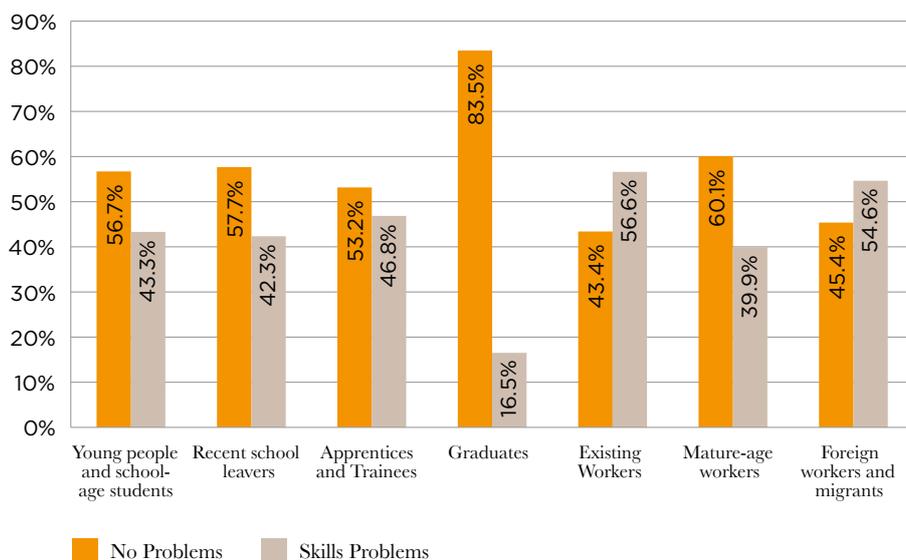


Source: CCIQ Education and Training Survey

FOUNDATION SKILLS AND EDUCATIONAL OUTCOMES

- 4.6 All businesses, regardless of size and industry, require employees who possess the technical/academic skills relevant to their employment and the capacity to develop new skills to increase their productivity. Lower levels of foundation or core skills possessed by some Australian workers are at the very root of many of our workforce and skills challenges.
- 4.7 Over 40 per cent of Queensland employers report having literacy and numeracy problems in their current workforce. Apprentices and trainees (46.8%), young people and school-age students (43.3%) and recent school leavers (42.3%) were amongst the most common groups of workers identified as having problems with literacy, numeracy and communication in the workplace.
- 4.8 Yet many young people continue to graduate from our schooling system without the basic knowledge and skills required to function adequately in the Australian workforce. International studies have found that 41 per cent of Queensland Year 4 mathematics students fell below minimum international benchmarks, ranking Queensland 7th out of the 8 jurisdictions in Australia. The figures remain consistent in secondary school, where 39 per cent of students failed to reach minimum benchmark levels in Year 8 mathematics in Queensland.¹
- 4.9 In science, 34 per cent of Queensland's Year 4 students and 29 per cent of Year 8 students failed to achieve international benchmarks, compared to the national average of 24 per cent and 30 per cent respectively. Lower proportions of Queensland students (average 89.3 % across all age groups) reached the national minimum standard for reading in comparison with the general Australian student population (average 92.5 % across all age groups).¹
- 4.10 Aboriginal and Torres Strait Islander students are faring worse than non-indigenous students. Significant proportions of Indigenous Queensland students do not meet the national minimum standards for reading and numeracy and Aboriginal and Torres Strait Islander young people are three times less likely to complete Year 12 with a qualification (OP or vocational qualification) than non- Indigenous students.

PROPORTION OF WORKFORCE WITH LITERACY, NUMERACY AND COMMUNICATION SKILL DIFFICULTIES



Source: CCIQ Education and Training Survey

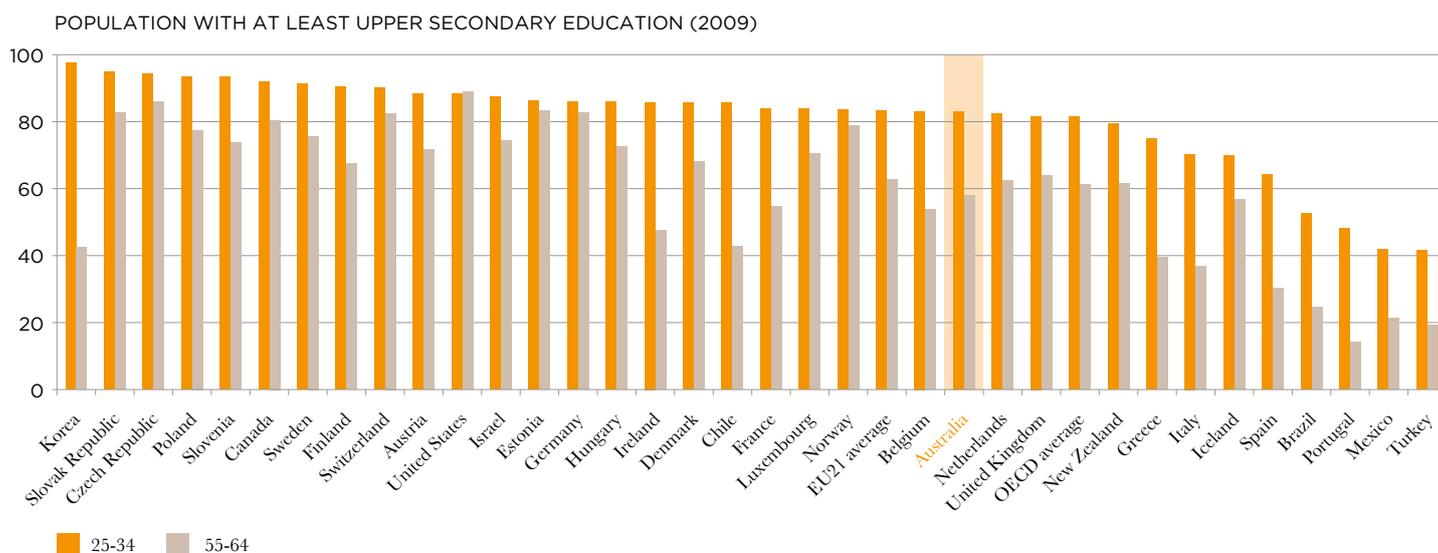
- 4.11 2011 NAPLAN testing revealed similar results, indicating significant room for improvement in Queensland. Queensland students in years 3, 5, 7 and 9 continue to lag behind other States, falling below the national average in reading; persuasive writing; spelling; numeracy; grammar and punctuation, with the exception of Year 7 persuasive writing.²
- 4.12 The large numbers of students failing to achieve national and international benchmarks represents a significant challenge, as students failing to develop basic foundation skills are at a higher risk of becoming disengaged from the education system. Hence a second significant problem is that many young people are not completing Year 12 or achieving an equivalent qualification. Despite generally increasing education levels, Australia has one of the lowest secondary school completion rates, behind East Asia, North America, Scandinavia and much of Continental Europe (figure 4.1). Among 25-64 year olds, only 71 per cent have completed secondary education, compared with 89 per cent of Americans³. Among 20-24 year olds, 16.9 per cent have neither completed secondary school nor are in education. For Norway, the corresponding figure is 4.3 per cent.⁴
- 4.13 Accordingly, CCIQ and the business community are highly supportive of NAPLAN testing and the My School website and the increased transparency that can be achieved through national reporting of school results. In particular, the business community supports the utilisation of these mechanisms to identify individuals falling behind in order to provide them additional assistance, and identify areas where the education system and teaching quality is failing Queensland's school students in order to drive curriculum and system improvements.

1 Thomson et al., "Highlights from TIMSS 2007 from Australia's Perspective." (2008).

2 Australian Curriculum, Assessment and Reporting Authority (2011), *National Assessment Program: Literacy and Numeracy NAPLAN Summary Report for 2011*, ACARA, Sydney.

3 OECD (2011), "To what level have adults studied?", in OECD, *Education at a Glance 2011: Highlights*, OECD Publishing.

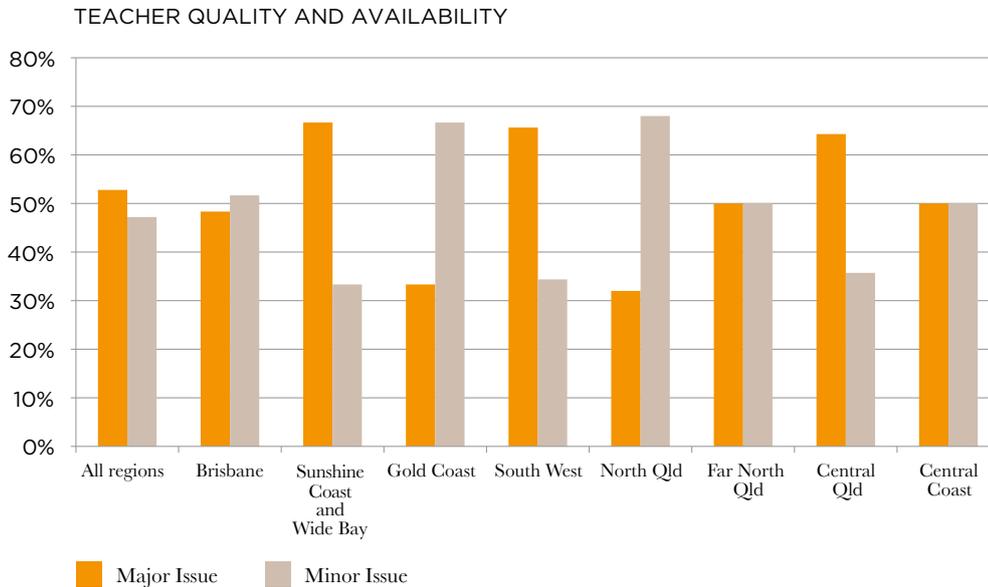
4 Productivity Commission (2006). *Potential Benefits of the National Reform Agenda: Productivity Commission Research Paper*. Canberra.



- 4.14 Queensland's earning or learning policies requiring young people to be engaged in some form of training through to the age of seventeen as well as expanded opportunities provided through school-based vocational education programs has gone a long way towards improving school retention and engagement. However CCIQ believes more needs to be done to engage young people in meaningful and relevant educational experiences.
- 4.15 The major factors affecting youth education outcomes and development identified by Queensland businesses include lack of mentoring, support and guidance from parents and family and poor career advice and support in making career decisions. Stakeholder feedback identified that young people often cannot clearly identify the relevance of the education and training they receive to their future lives and career goals nor were they receiving adequate support to engage them in desired career pathways.
- 4.16 Business and industry mentoring featured strongly as a key factor believed to influence young people's educational outcomes and ability to successfully transition into work and further education. Accordingly 93.5 per cent of respondents to the CCIQ Education and Training Survey supported greater use of student mentoring by business, industry and local employers.
- 4.17 Employers also believed there was a need for career advisors, teaching professionals, youth and peers (including recent graduates and current apprentices) to take a greater role in mentoring and supporting young people in their community.
- 4.18 CCIQ believes it is also important not to transfer the burden of poor educational outcomes onto employers who are currently bearing the cost of low productivity, skills shortages and required training costs resulting from the failure of our education system. Queensland needs to invest heavily in up-skilling those workers and mature-age people in the workforce who have poor literacy, numeracy and communication skills and provide programs and training opportunities to these individuals.
- 4.19 Feedback from Queensland businesses indicate that current programs such as the Workplace English Language and Literacy (WELL) Program and Adult Community Education (ACE) are restrictive, inflexible and not meeting the needs of employers and the individuals who would benefit from this training. For example, despite there being a prevalence of literacy, numeracy, and communication skill problems in workplaces, 68.5 % of employers indicated they had not provided any form of training to address these problems; 26.5 per cent of employers had provided some on the job assistance and under 10 per cent had accessed structured literacy and numeracy training through community based and adult learning programs (7.2%) or under the WELL program.

TEACHER WORKFORCE ISSUES

- 4.20 The Queensland business community has a strong interest in raising the status of the education and training system, central to which is improving the quality of the teaching workforce. Higher quality teachers will go a long way towards driving improvements in students' educational outcomes for which Australia and Queensland are performing relatively poorly.
- 4.21 The majority (52.8%) of businesses believe the availability and quality of teachers to be a major issue for Queensland's schooling system. However in some regional areas such as Wide Bay, South West Queensland and Central Queensland it was more so an issue than it was in South East Queensland and other major metropolitan areas such as North Queensland.



Source: CCIQ Education and Training Survey

- 4.22 An international study conducted by consultancy McKinsey and Company examining twenty-five school systems considered what factors determined a high performing education system. Most significantly, the report found that the quality of a school depends far more on the quality of its teaching staff than on the quantity of its funding and teacher-to-student ratios.¹
- 4.23 For example, Singapore students score top in the TIMSS assessment (an international examination in Maths and Science) despite the fact that Singapore spends less on each student in primary education than almost every other developed country. In Finland, students do not start school until they are seven years old, and attend classes for only four to five hours each day during their first two years of schooling. Yet by age 15, they score top in the world in tests of maths, science, reading and problem solving. What these and other top performing schooling systems have in common is that they consistently attract more able people into the teaching profession, leading to better student outcomes. They do this by making entry to teacher training highly selective, developing effective processes for selecting the right applicants, investing heavily in continued teacher development and paying teacher remuneration.¹
- 4.24 This is particularly challenging for Queensland as recent evidence suggests that those students with the greatest potential following matriculation are not pursuing teaching as a career. A 2006 report prepared by the Department of Education, Science and Training found that in the years from 1983 to 2003, the academic standard of young people entering teaching declined significantly.² Tight labour markets have recently contributed further to this decline, with university entrance scores falling significantly for both primary and secondary teachers. Declining entrance levels also serve to impact the status of the teaching profession, further reducing its appeal to high quality students.
- 4.25 During the same period, average teacher pay fell substantially compared with non-teachers with a degree. While salary may not be a strong reason why current teachers have chosen to teach, it is a strong reason why many abler graduates choose not to teach. The ongoing pay disputes in recent years and the significant media attention undeniably impact on the public perception of teaching as a career option and pave the way of further undermining the value of teachers in the community and making this an unattractive career pathway for school leavers. Furthermore ongoing anecdotal feedback suggests that Education Queensland's teacher recruitment processes and employment contracts are an additional factor forcing some teachers to leave the profession in search of longer term and more stable employment conditions.
- 4.26 The majority of Queensland businesses believe that the best way to improve the quality and availability of teachers is to address the on-the-job working conditions and student behaviour issues preventing more people entering the profession. They also strongly support the introduction of minimum entry requirements for teaching courses, improved models for teacher training and increasing the workplace training and work experience component of teacher training.

¹ Barber, M. & Mourshed, M. (2007). *How the world's best-performing school systems come out on top*. London: McKinsey & Co.

² Leigh, A. and Ryan, C. (2006). *How and Why has Teacher Quality Changed in Australia?* Report prepared for the Department of Education, Science and Training. Canberra: DEST.

RECOMMENDATIONS (R1)

IMPROVE THE QUALITY OF SCHOOL EDUCATION TO ENSURE ALL QUEENSLANDERS ACQUIRE THE BASIC FOUNDATION SKILLS REQUIRED TO SUCCEED IN WORK AND LIFE. THIS MUST INCLUDE DEVELOPING A WORK AND INDUSTRY RELEVANT CURRICULUM, SUPPORT FOR AT RISK YOUNG PEOPLE AND COHORTS, PROGRAMS TO FACILITATE INDUSTRY MENTORING, AND ENSURING THE HIGHEST STANDARDS FOR THE TEACHER WORKFORCE.	
R1.1	A key focus in the early and primary years of schooling should be to ensure students have the required skills to progress to secondary school and further education. Students identified at risk and not achieving required results in literacy and numeracy for example, should not progress to the next school year level. Failure to address these issues invariably follows the student throughout their education, training and employment journey.
R1.2	The school curriculum needs to better prepare young people for work and life. This includes making learning activities more practical and relevant to real life and work experiences as well as ensuring greater sense of personal and social responsibility. To achieve this, partnerships need to be developed between the business community and teaching professionals. The Queensland government should provide incentives and structures that facilitate business mentoring and role modelling opportunities and work with industry associations to create networks and develop partnerships with employers and business owners.
R1.3	Considerable resources are currently being directed at resolving certain social issues in remote indigenous communities. Based on experience, it appears that short courses are more likely to be completed than long programs and that industry involvement through VET courses with specific pathways to industry achieves the best results. CCIQ believes there is a strong need to integrate career education and employability skills into programs for indigenous students. These programs would have greater capacity to engage these students in career pathways that are applicable for a diverse range of industry sectors.
R1.4	CCIQ supports improved policy mechanisms and teacher training models to attract and retain high level applicants to teaching and support their ongoing professional development. Such policies may include making entry to teacher training highly selective, developing effective processes for selecting the right applicants, increasing the workplace training component of teacher courses, investing heavily in continued teacher development and improving the employment conditions for teachers.
R1.5	CCIQ also believes more can be done to increase the awareness of teaching as a profession and to market the important role teachers play in society. In particular current school students should be encouraged to participate in teacher work experience placements and opportunities to include “teaching or class lesson planning” as practical exercises in secondary curriculum may be useful in raising student interest in teaching as a profession.

“There is a lack of access in rural areas. There is a wonderful website which shows all the courses available, which is great in Brisbane but the reality is that if you have no one to do the training you can’t do the course. They used to have ads on the TV showing all the courses. “I didn’t realise all these were available” but you can’t do a lot of these online.”

“The government incentives that are available should not be understated or unappreciated, yet they are pretty much the same as they were 20 years ago. There has been CPI increases, and employer expenses are so much higher now. Employers need to have a health and safety officer, the levels of liability insurance, and the expenses and running costs all result in expenses being so much greater.”

“The problem with TAFE is that they do not communicate enough on what the apprentice is doing and their schedule. If we knew that the employer could tailor their on-the-job training to fit in with what they are doing at TAFE.”

“The main problem is finding an RTO particularly in rural areas. We have been in a situation of phoning the apprentice centre to find a trainer. For example sandblasting is a registered apprentice, but the only training is provided in Brisbane and is two hours a week which is no use for an employer in Bowen or Townsville.”

– *Queensland Business Operators*

5.0 Priority 2: Driving Ambition, Career Advice and Mentoring to Improve Engagement

- 5.1 A cohesive and comprehensive range of career services is a foundation requirement to support young Queenslanders, encourage skills development in the workforce, and drive economic growth. The focus of career development services to date has largely been on benefits to individuals, but they also have economic and social benefits for Australia.
- 5.2 The OECD has found that the quality of national career systems is particularly important in three respects¹:
- It is important for effective learning. If individuals make decisions about what they are to learn in a well-informed way, linked to their interests, capacities and aspirations, then they are likely to be more successful learners, more likely to remain engaged, and accordingly investment in education and training systems are likely to yield much higher returns.
 - It is important for an effective labour market. If people construct career paths and secure employment which utilise their potential and meet their own goals, they are likely to be more motivated and more productive, and therefore contribute to enhancing national prosperity.
 - Career development has an important contribution to make to social equity, supporting equal opportunities and promoting social inclusion. It can raise the aspirations of disadvantaged groups and give them access to opportunities that might otherwise have been denied to them.
- 5.3 While most young Australians have access to some level of career services (albeit mostly information based), the services available to many are inadequate in both quality and the capacity to assist them to develop the skills to manage their future learning, choice of work and reaching their potential. For example, a Smith Family report found that a significant number of students surveyed expressed incompatible education and career intentions. Approximately half of the students surveyed planned a different level of education than was required for their career interests.
- 5.4 This report also found that a large proportion of young people surveyed did not know how to get the job they wanted. Importantly, it noted that those students who perceived themselves as being low in ability found that access to high quality careers advice was particularly beneficial as it provided them information on pathways to their chosen career.
- 5.5 Other research has shown that there is clear and systematic evidence that school pupils with career goals have higher attainment levels than those without. This research found that a positive gain in academic achievement was produced when students were provided with career education interventions as compared to situations in which students were not provided with career education.²
- 5.6 CCIQ research suggests that career advice and guidance services provided to young people in Queensland schools is inadequate and significantly underfunded. For example in 2007-08, \$1.8 million was allocated to fund the coordination of VET and enhance career guidance and counselling in Queensland. This equates to a meagre \$18 for each of the 95,500 students in the senior phase of learning for that year. Additionally while the Queensland Government has a policy on career education and endorses the national career guidance framework, implementation of required career education programs is largely left to individual schools to incorporate into their teaching plans with no additional resources provided to do so. It is also concerning that structured work experience is not a mandatory component of the senior curriculum.
- 5.7 However, over the past few years the Australian Government has equally wound back funding for career advice services. In 2009 the suite of career and transition support activities delivered under the Career Advice Australia initiative was cancelled leaving a significant gap in the direct provision and coordination of industry career information to young people aged 13-19 years.
- 5.8 The provision and quality of career advice and career guidance is also a significant issue for Queensland businesses. More than 40 per cent of businesses rate career advice and guidance as being poor (31.98%) or very poor (9.31%); 42.24 per cent of respondents consider career advice and guidance provided to Queensland students as average, and only 16.4 per cent considered it to be good (15.04%) or very good (1.43%).

1 Organisation for Economic Cooperation and Development (2009). *The Relationship of Career Guidance to VET*, Paris OECD.

2 Evans, J.H and Burck, H.D. (1992) *The Effects of Career Education Interventions on Academic Achievement: A Meta Analysis*,

QUALITY OF CAREER ADVICE AND CAREER GUIDANCE



Source: CCIQ Education and Training Survey

- 5.9 The most significant areas of concern for Queensland businesses is the level of information provided to young people about the expectations of employers (15.3% rated it very poor and 40.2% rated it poor) and the career advice provided about specific industries (12.9% rated it very poor and 41.4% rated it poor).
- 5.10 Anecdotal feedback from stakeholders suggest that the primary reason for the poor quality of career advice and guidance is a lack of dedicated resources within schools, as well as guidance officers and career advisors having limited knowledge and poor understanding of the full range of career and industry pathways available. There is significant concern that many schools continue to only advocate academic pathways for their students and limit the information and options available to students in non-academic, technical and vocational career pathways.
- 5.11 However learning and career advice and information is not only important for young people during schooling. Adults, existing workers, job seekers and mature-age people require assistance with learning and career options at various stages throughout their lives, especially in the dynamic global workforce of the future where individuals will be required to continually upskill and reskill for changing job requirements and emerging industries.
- 5.12 Many countries are investing in career development services. For example:
- Career Services **New Zealand's** aim is to provide all people living in New Zealand with access to the best careers information, advice and guidance to achieve their life goals. The mission of the service is to 'maximise New Zealand's potential through quality work in life decisions'. It is an integrated approach that supports a young person's network including parents, employers and peers. For example in working with Maori youth the service can focus on the extended, intergenerational family rather than on the individual alone.¹
 - In the **UK** the Adult Advancement and Career Service aims to provide high quality career information, advice and guidance to help individuals make career and learning choices. Linked with the introduction of Skills Accounts for every individual over 19 years of age, any adult in the UK is entitled to free sessions with an advisor to assess their skills and aspirations, give advice on options for learning and work, and assist with accessing training and entitlements.
 - **Denmark** has introduced a program aimed at identifying students with special career development needs at Grade 6. It has systematic programs in place to reach out to dropouts from its education system including mentoring arrangements connected to the transition from Grade 9 to vocational education and training. Local government has implemented a 'Project Youth Education for All' program which aims to increase the percentage of youth education participation from 80% to 95%.
- 5.13 Queensland and Australia needs a quality well-funded career advice system. Website and handbooks are not effective without complementary support and guidance provided by experienced career advisors and opportunities for practical experience.

¹ Watts (2007). *Career Services: A Review in an International Perspective*

RECOMMENDATIONS (R2)

IMPLEMENT A NATIONAL CAREER ADVICE SYSTEM THAT ENTITLES ALL INDIVIDUALS TO QUALITY CAREER INFORMATION, GUIDANCE AND SUPPORT TO DEVELOP SKILLS AND INCREASE THEIR EMPLOYABILITY AND PRODUCTIVITY. THIS INCLUDES WELL-RESOURCED DEDICATED SERVICES FOR YOUNG PEOPLE THROUGHOUT THEIR SCHOOLING AND CAREER AS WELL AS LEARNING SERVICES ENTITLEMENTS FOR ADULTS AND EXISTING WORKERS.	
R2.1	Provide dedicated resources within every school to deliver career advice and guidance to all students throughout the duration of their schooling. Career advice must not be seen as just a point in time activity linked to subject selection but rather a process that nurtures the ambitions and goals of young people throughout their schooling and careers.
R2.2	Mandate structured work experience programs and industry visits for vocational and academic students, preferably provided at multiple times throughout a young person's schooling and linked closely to an individual's ambitions and talents (i.e. from Yr7 through to Yr12).
R2.3	Ensure all adults have equal access to career advice and guidance throughout their working lives by providing a subsidised entitlement system for face-to-face skills assessment. CCIQ believes that 'Skilling Solutions Queensland' has a strong profile and recognition and may provide an appropriate vehicle through which expanded service provision could be offered for this purpose.
R2.4	Work closely with industry to determine skills and workforce needs to develop improved and timely systems for feeding industry information back into career advice programs to ensure skills supply meets demand.

"Boiler makers and diesel fitters have to do block training of two weeks every quarter and you lose that productive capability in the workforce for that time and it directly affects the profitability of the company because those diesel and boiler makers can't be relied upon. This is not how we want to run our business but we have no alternative."

"An example is an air conditioning apprentice. We have to send him to Brisbane or Toowoomba for two weeks. The apprentice might be 18 years old so he can't afford to pay for accommodation and travel on the apprentice wages. There are also problems with him being in a strange place. There is no reimbursement for the employer to organise this and pay the costs."

"There is little support by TAFE in terms of marketing promotions for apprentices to schools."

"Recruitment is still an issue, it's better but it's still a challenge. We are now getting a lot of applications from out of work people, and frankly they shouldn't bother. They haven't had any experience and have no trade skills. Many have not done the pre-vocational 5 weeks full time, for example carpentry is a certificate III course and pre-voc is a level I certificate so some kids who come out of school will have certificate I but some people in the workplace won't have done that pre-voc."

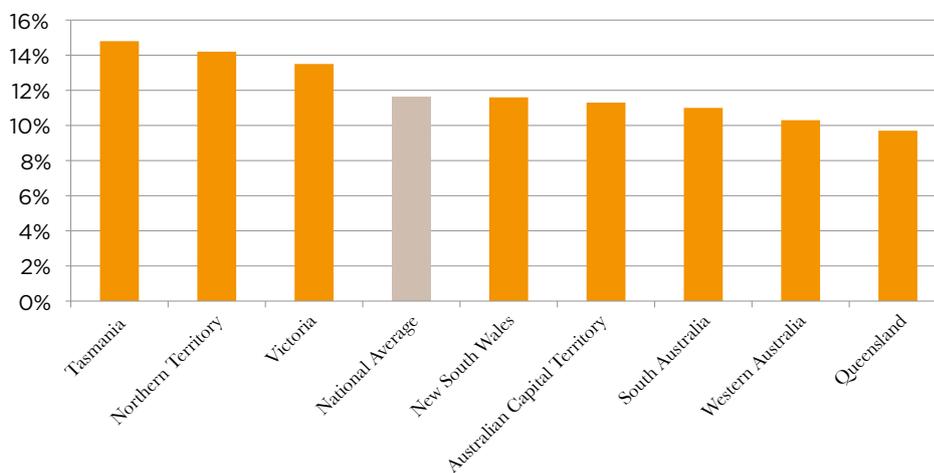
"It would be good if there was a handbook, a book of flowcharts showing what one has to do in different situations. It has taken me a while to get to grips with it all."

– *Queensland Business Operators*

6.0 Priority 3: Developing Potential, Equipping Individuals with Skills Our Economy Needs

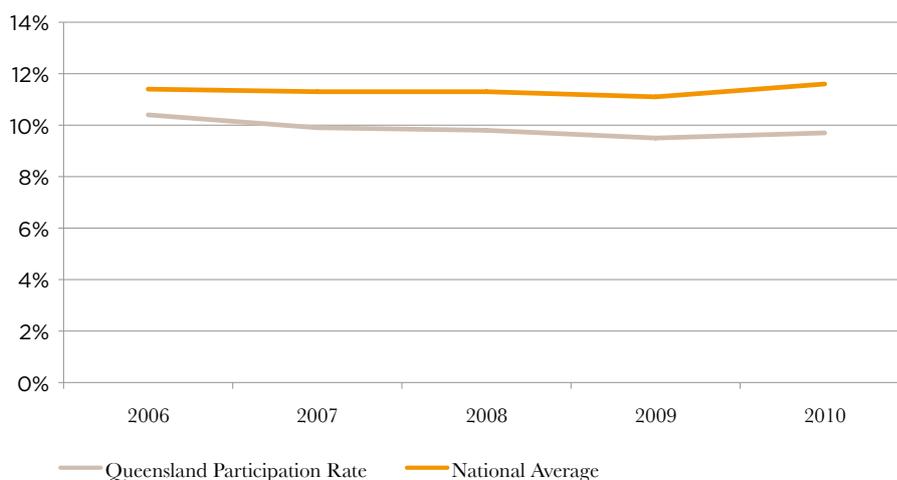
- 6.1 Australia faces significant skills shortages in a number of industries and at a range of skill levels. A highly qualified workforce with skills in areas of need will be essential for future national economic prosperity. This requires strong vocational and higher education sectors as well as active investment in lifelong learning and up-skilling opportunities to continue to support workforce development and productivity.
- 6.2 Vocational education and training underpins all skills and workforce development strategies. Unfortunately Queensland's vocational education and training system is not operating as efficiently as it could nor achieving the outcomes needed to support our economy.
- 6.3 Over the past ten years growth in VET participation has stagnated despite the State's high population growth. As such Queensland now has the lowest VET participation rate in Australia.

PARTICIPATION IN VET – 2010, 15-64 YEAR OLDS



Source: Australian Bureau of Statistics¹

HISTORICAL PARTICIPATION IN VET 2006-2010

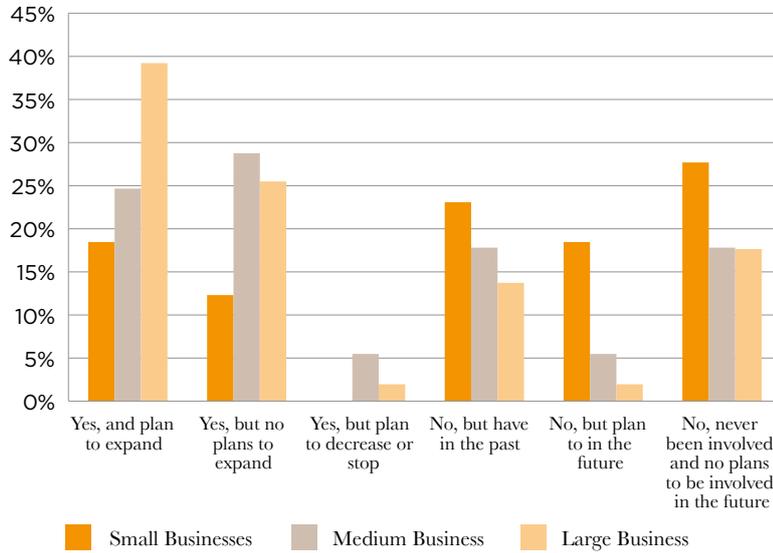


Source: Australian Bureau of Statistics¹

¹ 2010 National VET Provider Collection ABS, Population by age and sex, Australian states and territories, June 2010, cat.no. 3201.0

6.4 The CCIQ Education and Training Survey identified that participation in VET is strongest across medium and large sized businesses. A significantly high number (69.3 per cent) of small businesses report they are not currently involved in vocational training. While 18.5 per cent of small businesses indicated they may consider investing in vocational education and training and/or employing an apprentice or trainee over the next three years, it is concerning that the majority (27.7 per cent) indicated that they had no intention of participating in VET. Equally concerning, 17.8 per cent of medium sized businesses and 17.6 per cent of large businesses indicated they are not currently involved in VET programs and have no intention of employing an apprentice or trainee in the future.

PARTICIPATION IN APPRENTICESHIP AND TRAINEESHIP TRAINING BY BUSINESS SIZE



Source: CCIQ Education and Training Survey

6.5 The survey also showed that the majority of apprentices and trainees employed in Queensland are school leavers and mid-career workers followed closely by school-based. Women and mature-age workers are significantly underrepresented in apprenticeships, however many are employed in traineeships. As many traineeships are at lower level qualifications (predominately certificate II and III compared to apprenticeships which are Certificate IV level), this means that women and mature-age people are not meeting Government targets for higher level skills. This may impact on their long term employability and earning potential. People with disabilities, the long term unemployed and Indigenous people are also unsurprisingly underrepresented in both Apprenticeships and Traineeships.

DEMOGRAPHIC EMPLOYED AS APPRENTICES AND TRAINEES



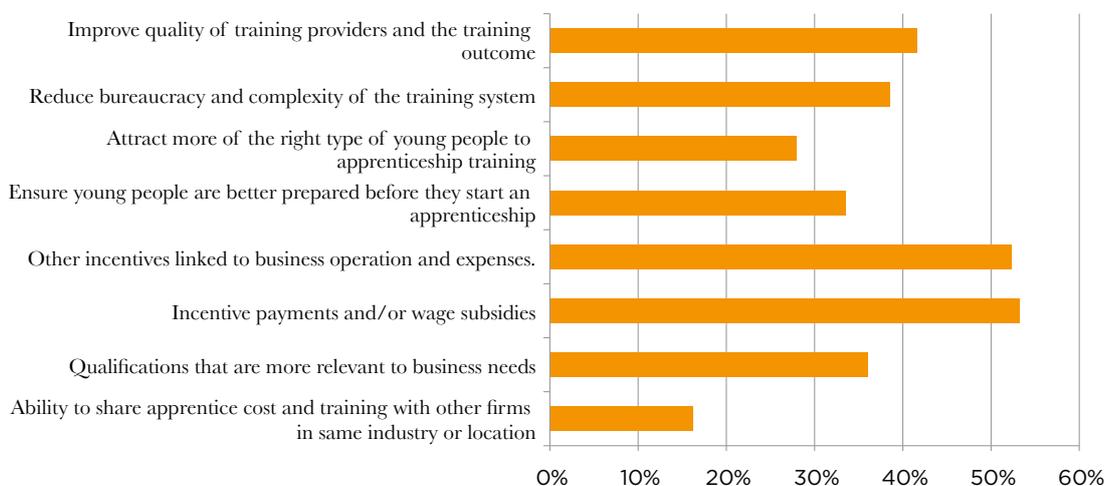
Source: CCIQ Education and Training Survey

- 6.6 This research shows that we need to be more proactive to create a vocational education and training system that engages and supports those employers and individuals currently not participating.
- 6.7 CCIQ believes that a number of significant changes need to be made to the vocational education and training system to encourage greater participation and drive skills and workforce development. These include addressing quality issues, promoting lifelong learning, and increasing pathways to higher level skills.

QUALITY ISSUES

- 6.8 Queensland should aspire to be amongst the best in the world for the quality of skills supporting our economy. While having been an aspirational goal for Queensland's VET system for nearly two decades, the vocational education and training system must become more industry and demand driven such that it meets the needs of employers and individuals. Yet industry continues to report declining levels of satisfaction with the training options available and the quality of the training provided.
- 6.9 Confirming these trends, respondents to the CCIQ Education and Training Survey and stakeholders attending CCIQ's regional consultation forums expressed extreme dissatisfaction with training providers, particularly TAFE colleges, across Queensland. Excessive and complex administrative processes, bureaucracy, funding models and quality of the training provided through Queensland's training institutions were raised as the major issues for Queensland businesses.
- 6.10 Examples cited by stakeholders included poorly designed TAFE registration processes and systems; excessive and unnecessary paperwork focussing attention, time and resources away from the actual delivery of training; and an increasing number of students being passed for subjects when they cannot demonstrate competency when back in the workplace. These examples point to a systemic problem within Queensland's VET system which is producing poor outcomes for young people and leading to declining business confidence in the training system.
- 6.11 The quality and availability of training in regional areas of Queensland also continues to be a major issue for businesses. While it is acknowledged that the cost of delivering training in regional and remote areas may be higher and less economical, employers generally feel that their requests for improved training quality and accessibility have fallen on deaf ears. Employers in these areas are commonly absorbing a greater percentage, if not all of the training costs as well as additional travel costs when they are forced to send their staff to RTOs in other regions (commonly SEQ which is not their most immediate/closest training provider) to ensure the training meets their needs and is of the standard required and expected.
- 6.12 CCIQ also strongly believe there is insufficient innovation and best practice in the training market and minimal incentive for training providers to reform. Technology provides unlimited opportunities for remote training delivery and there are countless best practice examples of how training providers can change modes and practices of delivery to meet individual, employer and regional needs. Yet the uptake of such technologies and practices to date has been limited.
- 6.13 CCIQ fully understands the need for TAFE to function as an instrument of public policy, especially in thin markets, and as such a component of funding will always be Government prescribed. However, until the significant issues and concerns of industry are addressed and training providers become more client focused Queensland will fail to achieve the increased participation in vocational education needed to meet attainment and qualification level targets. Not until confidence in the system is regained will industry commit to investing more in workforce development. A strong majority (41.3 per cent) of businesses indicate that improving the quality of training providers and the training outcomes (41.3 per cent) and reduced bureaucracy and complexity in the training system (38.9 per cent) would encourage them to increase participation in vocational training.

FACTORS MOST LIKELY TO ENCOURAGE PARTICIPATION
IN VOCATIONAL TRAINING



Source: CCIQ Education and Training Survey

- 6.14 One way to improve the quality of vocational education and training is to change the way we measure success. There are better ways of measuring the outcomes that trainers achieve than simply counting the number of qualifications gained. Emphasis must be placed on outcomes. An approach that is highly supported by industry is the national scorecard model used in the UK which measures success of the education system based on four key elements:
- Ensuring supply meets demand as measured by the extent of change in skills shortages;
 - Ensuring skills have economic value for employers, measured by changes in productivity;
 - Ensuring improvements in adults' employability by measuring employment and earning outcomes from training; and
 - Driving progress on raising skills towards a world class skills base measuring numbers of higher level qualifications.
- 6.15 The scorecard is applied across regions, sectors and socio-demographic groups such as gender, race and disability and while still a relatively new process has been received well by all stakeholders and is strongly supported by the UK business community.

LIFELONG AND CONTINUOUS LEARNING

- 6.16 Given our aging population issues, Queensland must aim to be amongst the best in the world for participation in lifelong learning. Adult education and lifelong learning enhance and maintain the depth and diversity of skills in our economy.
- 6.17 CCIQ strongly believes a significant fault in the education and training system and associated funding models is that it inherently gives preference to young people and school leavers. The system of defining eligibility for incentives and training funds by centrally determined "skills in need" lists based on limited occupation codes (ANZSCO) skews the supply and demand for training. As such the vocational training system fails to recognise and support the career goals and aspirations of existing and mature-age workers who may wish to reskill, upskill or change career paths and also prevents skills development in specialist "niche" and emerging industries.
- 6.18 The need for greater participation levels and existing workforce up-skilling and reskilling for higher level skills due to our aging population is well established. The training system needs to respond to these challenges and provide support for all individuals, both for those entering and those within the workforce.
- 6.19 The British Government have introduced a 'Lifelong Skills Accounts'¹ for every adult who accesses publicly funded training. These accounts give individuals clear information on their entitlements to training, support on understanding options open to them (including information on skills provision in their area) and a permanent record of the qualifications they achieve across their lifetime.
- 6.20 Adult learners and existing workers in the UK also have access to Professional and Career Development Loans². These are bank loans, negotiated by the British Government with the banking sector, to assist learners with course fees, study costs (including books and childcare), and living expenses such as rent, food and clothing. Learners are not required to make repayments or pay interest on the loan for the duration of their learning activities. Repayments commence at an agreed rate of interest once the learner re-enters the workforce. Such an approach has proven successful in increasing participation in lifelong learning and up-skilling programs in the UK.
- 6.21 Both these initiatives have the potential to significantly change the adult learning and workforce up-skilling environment in Queensland. They would ensure all existing, adult and mature age workers understand the learning opportunities available and remove many of the existing barriers which prevent existing, adult and mature age workers participating in further learning, up-skilling and reskilling. These programs also have the potential to further drive improvements in the quality and availability of training and facilitate a more demand led VET system.

PATHWAYS AND HIGHER LEVEL SKILLS

- 6.22 Queensland must position itself to capitalise on advancing technologies, innovative business practices and emerging industries. For this it needs an increasing proportion of the workforce with higher level skills and qualifications. Unfortunately the system and its bureaucracy continue to create artificial distinctions and barriers between vocational and higher educations. CCIQ believes there is a need to take an innovative approach to removing the barriers between the sectors and create new opportunities for learners to advance to higher skill levels.
- 6.23 Industry places great value in the skills developed and the learning achieved through vocational education and the apprenticeship and traineeship system as it is not only work based, but work focused. However very few vocational education students move onto higher level or further education at the completion of their initial qualification. This is predominately because pathways either don't exist or are not communicated to the learners and because limited funding is provided for continued learning.
- 6.24 In the UK, the government is strongly committed to developing a highly skilled workforce and are increasing opportunities and options for vocational students to move into further education and higher educations. For example under the Apprenticeship Scholarship Fund, high performing apprentices are provided a \$1000 grant as an incentive to move into higher level learning. The UK government is also working with industry to create new workplace based "honours" and "masters" frameworks for vocational and technical fields.
- 6.25 While 18% of young adults have considered starting their own business, only 3-4% of those completing a vocational qualification in Australia are actually self-employed after one year. As the Australian economy relies heavily on the vibrancy of small businesses, the lack of young people with business management and entrepreneurial skills is a significant concern. Although many training providers offer general business skills training or direct learners to their business or professional association for advice and assistance, many learners seeking to combine trade skills with business start-up help are left to navigate the system on their own. CCIQ believes there is an opportunity to integrate key business skills alongside the vocational training that learners undertake.

1 Education and learning: Find careers, learning and skills advice (2011) retrieved from http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/GetLearning/DG_072072

2 Education and Training: Professional and Career Development Loans (2011) retrieved from <http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/FinancialHelpForAdultLearners>

- 6.26 In the UK, the “Qualify with a Business” initiative provides learners an opportunity to complete additional units alongside their apprenticeship where they receive information and support on self-employment and business start-up; are provided opportunities to meet small business owners and self-employed individuals; and receive help with the transition from learning to trading including signposting to financial support and incubation facilities where available.

VET WORKFORCE ISSUES

- 6.27 The vocational education and training system needs a strong and growing workforce that reflects the same quality expected of those graduating the system. The vocational education sector is critically short of quality trade and technical teachers. Our members have frequently raised concerns for the limited staff available to support the vocational education system including school-based vocational education programs, manual arts and home economic faculties and the broader public TAFE and private VET sectors.
- 6.28 This is a concerning trend for industry and employers. Without an adequate supply of teachers to expose young people to technical and vocational skills in our schools and deliver quality training in our VET system, we will struggle to attract young people into vocational and technical industries and meet the skills need of the future. However this shortage is not due to lack of interest. Inflexible teacher-training opportunities, impractical teacher registration requirements and personal financial constraints are the primary barriers to more qualified trades people and professionals participating in trade and technical teaching.
- 6.29 CCIQ believes there is a need to develop new models of teacher training and address limitations within the teacher registration framework to encourage more technical and trade experienced people into the teaching profession.

RECOMMENDATIONS (R3)

REFORM EDUCATION AND TRAINING TO ENSURE A WORLD CLASS SKILLS AND WORKFORCE DEVELOPMENT SYSTEM. THIS REQUIRES SIGNIFICANT QUALITY IMPROVEMENTS TO THE EXISTING VOCATIONAL TRAINING SYSTEM, SIGNIFICANT COMMITMENT AND FACILITATION OF LIFELONG LEARNING, IMPROVED AND NEW PATHWAYS TO HIGHER LEVEL SKILLS AND LEARNING OPPORTUNITIES AND A HIGHLY SKILLED AND EXPERIENCED VET WORKFORCE.	
R3.1	<p>CCIQ suggests the need for a quantum shift in delivery methods, moving away from a mechanistic, block release, institute-based model and instead focus on methods that work in the workplace for the workplace.</p> <p>CCIQ advocates the introduction of an apprentice and trainee “exchange program” where apprentices and trainees could experience different workplaces within their sector and/or experience workplaces in regional or rural areas on a temporary basis. CCIQ believe such a model could provide opportunities for small and medium sized businesses with fluctuating or seasonal business conditions and businesses in regional and rural areas an opportunity to engage with the education and training system that they would otherwise not be afforded under a typical long term training contract. This model would also provide the apprentice or trainee a broader exposure to the industry/sector and a broader skills development experience.</p>
R3.2	CCIQ also recommend the Queensland Government explore private sector partnership arrangements and jointly fund expansion in technologies that facilitate remote training opportunities. Funding models should also be made more flexible to facilitate greater provision of training within workplaces and encourage industry and regional partnerships for training provision.
R3.3	CCIQ recommends the Queensland Government commit to a forward reform agenda to transition TAFE institutes away from the prescribed VRG model towards a truly contestable method of funding which provides incentive for public providers to improve quality and responsiveness. Equally important will be mechanisms to regularly review SRTO’s approved on the pre-qualified suppliers list to ensure they are meeting industry need and delivering quality outcomes. Only when public and private providers can compete in the same market and are provided strong incentives to improve their training products will we see improvements in quality and outcomes of the whole system.
R3.4	CCIQ believes a systematic review should be undertaken to simplify the vocational education and training system and improve employer and individual understanding of the processes and choices available within the VET system. As an urgent priority to ensure success of user choice arrangements, employers must be informed of the improved flexibility and choice in the system and supported to make informed decisions and negotiate with training providers. This information and advice must be independent from those providing the training. CCIQ would support a public portal similar to the “My School” website which compares outcomes, quality and industry ratings for all RTO’s in Queensland.
R3.5	To support lifelong learning and the workforce up-skilling and reskilling needed to meet the challenges of a changing workforce and economy, the Queensland Government should explore opportunities to provide tuition loans for vocational education and work with the Australian Government to expand eligibility criteria to provide income support for existing workers and mature age people who return to study.
R3.6	Progress must also be made in enhancing the opportunities and pathways to higher level skills, especially in the vocational education sector. Vocational students should be encouraged and supported to complete further training through subsidised training and incentive grants. Young people should be provided an opportunity to develop business operational skills through structured course units incorporated into vocational and trade qualifications. Industry associations such as CCIQ could facilitate practical experience and mentoring aspects of such courses and units.
R3.7	To meet workforce challenges in the vocational education and training sector the Queensland Government should review current teacher training and qualification models. CCIQ believe that an intensive on-the-job teacher training model, similar to that used under Teach for Australia initiative, would be effective in recruiting more qualified tradespeople and professionals into vocational teaching. CCIQ proposes a model where highly experienced and qualified existing workers and tradespeople with a strong passion and interest in vocational teaching could participate in a ‘Trade Teaching Internship’ program where they would work alongside an existing teacher to receive intensive teacher training and mentoring.

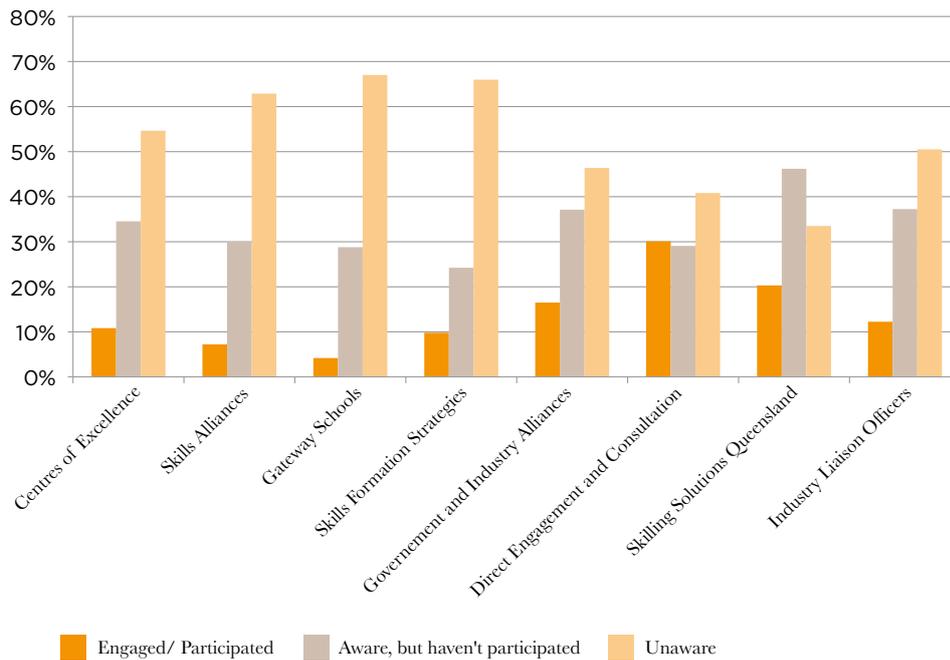
7.0 Priority 4: Making Skills Work, Engaging Employers and Driving Demand for Skills

- 7.1 Development of a skilled, productive and sustainable workforce requires a strategic approach to increasing both the skill level of the available workforce and improving skills utilisation at enterprise and regional levels. Improving both the level and deployment of skills in the workplace can deliver maximum economic return on skills investment as well as increasing employee productivity, satisfaction and engagement.
- 7.2 To achieve this we not only need to prepare individuals as well as we can for the world of work but, we also need to encourage employer demand for skills. This involves supporting employers at all levels to develop workforce planning practices that clearly articulate what skills they will need to achieve their business objectives, how they will acquire these skills and how they will use them once they are sourced. Businesses must therefore be supported to identify and plan for the changing workforce and their skills needs.
- 7.3 The UK ‘Skills Pledge’, launched in June 2007, promotes a public commitment to skills on the part of employers. Employers who make the Pledge have the support and advice of a Business Link adviser to help them analyse the skills needs of their business and draw up an action plan to meet those needs. Over 20,000 employers have made the Pledge, covering over 7 million employees in the UK.
- 7.4 Improving skills utilisation in the workforce requires employers to design jobs and structure their workforce in a way that makes full and productive use of the skills of all their employees. To achieve this employers need excellent management and leadership skills - they need a sophisticated understanding of how skills contribute to business success, as well as the capacity to better engage with the workers they manage, so as to maximise the use of the skills they possess.
- 7.5 The recent New Zealand Skills Strategy emphasises that improving skill utilisation and linking it to productivity will require considerable management expertise. It quotes research that shows that actually making the necessary changes in a company often turns out to be more difficult than anticipated and as a consequence businesses frequently fail to benefit from their investment in training.
- 7.6 We need to encourage employee learning and foster a culture in workplaces that values life-long learning and ongoing up-skilling and reskilling. Bringing about change in the way that skills are developed and applied is likely to be more successful if all levels of the workforce are engaged in the process. One overseas model is the Learning Representative approach used in the United Kingdom (and now being implemented in New Zealand), which has proven to be highly successful in disseminating information on available training, encouraging more workers to learn, setting up effective dialogue about learning between management and workers, and advancing the development of a culture of learning at work.

ENGAGEMENT STRATEGIES AND INDUSTRY CONSULTATION

- 7.7 As the end-user of the vocational education and training system, the business community has a significant role in ensuring that its skills needs are communicated to government. The Queensland Government has demonstrated commitment to facilitating industry involvement and leadership in the training system. However CCIQ research shows that continued attention is needed to ensure the VET system is responsive to industry and individual needs.
- 7.8 Overwhelmingly, Queensland businesses indicate they are unaware of the majority of Queensland and Australian Government engagement strategies and activities.

AWARENESS AND PARTICIPATION IN QLD GOVERNMENT ENGAGEMENT STRATEGIES



Source: CCIQ Education and Training Survey

- 7.9 Businesses reported that the most successful Queensland Government engagement strategies were direct engagement and consultation (e.g. forums, discussion papers, interviews and surveys) with 30.1 per cent indicating they had participated in this form of industry engagement. The Gateway Schools, Skills Formation Strategies and Skills Alliances were the least recognised by businesses.
- 7.10 Federal Government engagement strategies had similar low levels of awareness and participation. Again direct engagement and consultation was the most effective way of reaching industry. While Skills Australia had a stronger level of awareness, low levels of participation and engagement by industry does lead us to question how effectively they represent the skills needs and interests of businesses.
- 7.11 Unfortunately the majority of businesses (36.5 per cent) who had previously provided feedback or raised issues with the Queensland Government did not believe their concerns were addressed and 55.1% were unsure if their feedback influenced program development. Only 8.3 per cent of respondents indicated their concerns were addressed and/or feedback taken on board.
- 7.12 Respondents commented that the timing of consultation and engagement is important and that government agencies could improve their engagement strategies by consulting earlier and prior to programs and legislation being drafted so that industry can have a real influence on the outcomes. Respondents also suggested that consultation and engagement needs to occur at the ground level within workplaces and with all types of businesses. For this to occur consultation needs to be simple, well targeted and communicated in a language businesses and employers understand. Businesses in regional areas and smaller communities also expressed frustration that consultation does not occur with them and that it is assumed that larger businesses located in major centres are representative of their whole sector or industry. As such these businesses believe outcomes, policies and programs rarely meet their needs.
- 7.13 In late 2010, the Queensland Government established 'Skills Queensland', an independent advisory body with responsibility for directing Queensland Government investment in education and training, advising on policy development and engaging with industry. CCIQ is highly supportive of this new body however believe it important that 'Skills Queensland' represents a whole of economy view, is not captured by influential industries and sectors and demonstrates a commitment to local and regional engagement. CCIQ welcomes the opportunity to partner with Skills Queensland to facilitate direct engagement with employers and business owners across all industry sectors and all regions of the state.

RECOMMENDATIONS (R4)

DELIVER PROGRAMS AND INITIATIVES THAT FOSTER AND DRIVE DEMAND FOR SKILLS. THIS INVOLVES ENGAGING EMPLOYERS AND INDIVIDUALS IN THE SKILLS SYSTEM AND CREATING A CULTURE IN QUEENSLAND WORKPLACES THAT VALUES LEARNING AND MAKES THE BEST USE OF THE SKILLS OF OUR WORKFORCE.	
R4.1	CCIQ advocates funding and programs to assist Queensland businesses to undertake workforce planning activities. Enabling employers to identify their current and future training needs and realise emerging workforce challenges is a strategic approach to driving local employment and greater industry investment in education and training.
R4.2	CCIQ supports an industry endorsed 'Skills Pledge' program that will drive employer commitment to workforce development and will identify best practice employers in the market. Government support and incentive programs may be provided to those employers who pledge a commitment to education and training under this program.
R4.3	CCIQ recommends that employers and business owners, particularly in SMEs, should be provided opportunities to reskill and up-skill; to develop their entrepreneurial skills and innovative abilities through coaching and mentoring opportunities, targeted training programs and access to business networks and research and development. A proportion of the Productivity Places Program or User Choice funding could be dedicated to this type of training.
R4.4	CCIQ recommends the Queensland Government facilitate a grant program to develop and support 'Learning Representatives' in workplaces. Under this program key personnel within enterprises and industries would be employed to engage individuals across all sectors of the workforce in learning, and to encourage workers to seek out opportunities for training and offer support.
R4.5	CCIQ recommends that the Queensland Government better communicate and promote its engagement strategies and ensures that linkages and partnerships are facilitated between existing engagement strategies (e.g. Centres of Excellence, Skills Alliances and Gateway Schools) and regional and remote industries and communities.

3.4.2.1 Queensland Business Operators

"We have been successful with apprentices. Success is when the apprentice stays with us for the 4 years, its an added bonus if they stay around afterwards. Because we have been competing with the mines, more previously than now, and the mines could pay \$40 an hour where we are only paying \$25. We have only lost one apprentice but he came back. But I know other employers have a very high attrition rate."

"In terms of motivating students in the schools to take up VET studies, there is not enough done in that area. Some schools do not regard themselves as VET. There is a shortage of teachers with competency skills and even the vocational guidance officer is unlikely to have any competency skills."

"They only get \$22 a day for accommodation and food which is not enough on the Gold Coast. We send a lot of people to Coolangatta TAFE so this ends up very expensive for employers. We have to pay for this, give them a loan, or a mixture of the two."

"What we identified was that more work is needed to educate the teachers in schools about the availability of trades so kids know they can follow a technical career and have opportunities to go onto university. They need to educate students that they can follow a technical career path that will lead to a university qualification, for example certificate I-VI which gives them enough points to apply to undertake a diploma in civil engineering."

– Queensland Business Operators

8.0 Priority 5: Investing in a Sustainable Workforce, Contingency Planning for Economic and Environmental Impacts on Training Investment

- 8.1 While Queensland business and industry are acutely aware of the need to invest in the development of the future workforce, economic conditions and unforeseen circumstances can significantly impact on their capacity to invest in training. Unfortunately, training is often the first area of a business's budget to be reduced in unfavourable economic conditions. Australian Apprenticeship commencement and completion rates are particularly vulnerable to the impact of economic cycles.
- 8.2 Queensland requires its skilled workforce to remain strong and productive to sustain business during an economic downturn and to position the State to take advantage of opportunities as conditions improve. As the Queensland economy recovers and significant resource projects come online, the availability of skilled workers will undoubtedly reemerge as a major constraint on business growth. The recent global financial downturn and severe weather events of the 2010-11 Summer have highlighted the need for Government and industry to collaboratively explore mechanisms to sustain or increase investment in training in response to these conditions.
- 8.3 Responsibility for the formation, development and efficient utilisation of skills is shared by both public and private sectors. In order to maintain and build the skills of the workforce during challenging economic conditions, it is important that the education and training system, including public funding mechanisms, incorporate sufficient flexibility and responsiveness that enable a rapid response to changes in the economy. Programs and funding should be developed to minimise the impact of an economic downturn and natural disasters on the future skilled workforce. Such programs and funding should be directed at:
- Encouraging and supporting continued investment from the business community;
 - Providing workforce planning advice and assistance to business;
 - Providing alternatives to redundancy and the cancellation of training contracts for Australian Apprentices;
 - Providing alternative training options for Australian Apprentices, including block training and temporary apprentice/trainee re-assignment to alternative workplaces;
 - Increasing training opportunities through public providers with clearly communicated pathways to further training;
 - Assisting workers and enterprises at risk as a result of challenging economic conditions to provide support and assistance in reskilling, up-skilling, restructuring; and
 - Facilitating short term income support to ensure apprentices and trainees stay on the job rather than be made unemployed.

RECOMMENDATIONS (R5)

DEVELOP PROGRAMS AND FUNDING THAT ADDRESS REDUCED PRIVATE SECTOR CAPACITY TO INVEST IN SKILLS AS A RESULT OF CHALLENGING ECONOMIC CONDITIONS, ENSURING THAT QUEENSLAND HAS A SUFFICIENTLY SKILLED WORKFORCE TO TAKE ADVANTAGE OF OPPORTUNITIES DURING ECONOMIC RECOVERY.

R5.1	CCIQ recommends the formation of a body of representatives from business and industry to consider mechanisms to minimise the long term skills impact of an economic downturn or natural disaster. Terms of reference for this body should incorporate Australian Apprenticeships commencements and completions, and the re-skilling or up-skilling of the workforce.
R5.2	CCIQ recommends that consideration be given to ensuring that public training providers and funding programs have sufficient flexibility and responsiveness to adapt rapidly to changing economic conditions.
R5.3	CCIQ recommends the Queensland Government improve the information that is available to employers and business owners on local and regional skills and labour markets. The quality of information available is critical to the development of accurate workforce plans and the identification of future skill needs.

9.0 Conclusion

The strength of Queensland's education and training system and skills development framework underpins individual, business and statewide economic prosperity. It is therefore important that we get the system, its funding models and our planning and priorities for skills development right. CCIQ strongly believes that there are many positive aspects to Queensland's education and training system, however these are still a number of systemic issues and inefficiencies that must be addressed if we are to have one of the best education and training systems, not only in Australia, but in the world. This must be our aim if we want to ensure we have the right skills at the right time to drive our businesses and economy forward.

CCIQ summary recommendations include:

R1	Improve the quality of school education to ensure all Queenslanders acquire the basic foundation skills required to succeed in work and life. This must include developing a work and industry relevant curriculum, support for at risk young people and cohorts, programs to facilitate industry mentoring, and ensuring the highest standards for the teacher workforce.
R2	Implement a national career advice system that entitles all individuals to quality career information, guidance and support to develop skills and increase their employability and productivity. This includes well-resourced dedicated services for young people throughout their schooling and career and learning services entitlements for adults and existing workers.
R3	Reform education and training to ensure a world class skills and workforce development system. This requires significant quality improvements to the existing vocational training system, significant commitment and facilitation of lifelong learning, improved and new pathways to higher level skills and learning opportunities and a highly skilled and experienced VET workforce.
R4	Deliver programs and initiatives that foster and drive demand for skills. This involves engaging employers and individuals in the skills system and creating a culture in Queensland workplaces that values learning and makes the best use of the skills of our workforce.
R5	Develop programs and funding that address reduced private sector capacity to invest in skills as a result of challenging economic conditions, ensuring that Queensland has a sufficiently skilled workforce to take advantage of opportunities during economic recovery.

“Kids are finishing having spent 2.2 years in carpentry, instead of 4 years which they need to be competent. It was about the \$1000 bounty to finish 6 months ahead of time, so kids run around madly.”

“Getting information (about VET) is difficult and complicated to understand. It's hard to know who to call because there are all kinds of different areas/govt departments involved.”

“I am not convinced that apprenticeships are a cost effective approach to up skilling community members and grooming them to work in this kind of organisation.”

“I am a great advocate of the VET sector competency based training. In other words, there is more than just the academic route. Unfortunately there is still some stigma attached to competency based training. For example in schools, when a student receives an academic result it is celebrated at the school assembly, where as a school based achievement does not get recognition in the school assembly. Till this all changes the competency based pathway won't get the recognition that it needs. Most teachers go through an academic pathway but the statistics are clear that someone with a VET competency will do better in terms of employment than a person with a degree. A qualification of a certificate III is classed as the same as an OP 13 by some universities and recognised as a prerequisite for university entrance.”

“There is no “user choice funding” for users aged 25-45 years old from the Queensland government. Need to improve to get people back into the workforce. There are so many women out there who are returning to the workforce after having a family and the incentives for them to do a traineeship isn't worth their while.”

– *Queensland Business Operators*



“On the whole I like the way the system works but there is a lack of choice in training providers in this town. There is only really TAFE and one other, which is an RTO. There is nothing wrong with them but it does mean that students do not get much of a choice. If a student does not like that particular type of training, then there is not much you can do.”

“There needs to be more incentives for employees. A first year 18yr old only gets \$280 a week for a 38 hr week here and they can earn more working in Coles or picking up glasses in the pub. This is a huge challenge.”

“It’s hard with the block release, its tough to get the guys through. If we get a big job and they can’t get to the TAFE they have to wait another 12 months. It should be more flexible.”

“Our image in community is a factor in using apprentices. We pride ourselves on employing a large number of apprentices each year. It’s up to large employers like ourselves to take on apprentices. The smaller organisations who don’t train apprentices tend to suffer. What happens is the larger organisations take up the responsibilities of having apprentices and then smaller companies attempt to steal them.”

– *Queensland Business Operators*

CCIQ Advocacy



Chamber of Commerce & Industry Queensland
375 Wickham Tce, Spring Hill QLD 4000
Telephone 1300 731 988

www.cciq.com.au/advocacy


CCIQ
Chamber of Commerce
& Industry Queensland