



Community Services and Health Industry
Training Board Inc

Response

to

Securing our economic prosperity –
discussion paper on skills reform April 2008

Introduction

This paper sets out the Community Services and Health Industry Training Board Inc response to the Victorian state government's paper, 'Securing our economic prosperity – discussion paper on skills reform April 2008'.

The Board will respond to this paper based on its understanding of the needs of the community services and health sector, reflecting on the demands of the industry (employers and workers), key stakeholders, the training providers and our understanding of the needs of service users.

The proposed reforms of the VET system are based on the following four state government objectives:

- Boosting numbers of individuals and businesses accessing training, which will increase the skills of Victoria's workforce;
- Developing a VET system that engages more effectively with individuals and businesses and is easier to navigate;
- Ensuring the system is more responsive and flexible to the changing skills needs of businesses and individuals; and
- Creating a stronger culture of lifelong learning.

To achieve these objectives the state government is proposing that a new approach to current funding, access and delivery of VET policies will be required.

The response will address the issues raised and respond to the nine questions posed in the paper. The paper will commence with an industry overview, some observations about demand and supply side drivers in sector and conclude with a response to the questions.

Industry Overview

- The community services and health sector workforce is currently 10.8% of the Victorian workforce consisting of approximately 277,000 people¹
- The sector is growing fast with 20% increase in employment (55, 500 jobs) between 2002 and 2007².
- Expected job growth is 3% p.a. through to 2011/12, or more than 8300 new entrant full time workers each year³. Modelling undertaken at state level⁴ by the Centre for Employment Education and Training at Monash in 2007 is more conservative than this; however the Board believes that the higher level is also conservative
- This prediction is made in an environment in which by 2016 there is a predicted need for an 18 per cent increase in the total workforce, a predicted growth of 37 per cent in the health and community services workforce and a 54 per cent increase in health service demand⁵ over the same period. A reconciling of these predictions needs to be undertaken to accurately inform planning in relation to workforce and education needs
- Population ageing, community demands for high levels of health care and growth in child care will generate further job gains in health and community services
- Skills shortages already exist for child care occupations, division 1 and 2 registered nurses, medical practitioners and allied health professionals, including

1 Industry Employment Outlook, Health and Community Services, June 2007 DEWR

2 Australian Jobs 2007

3 Industry Employment Outlook, Health and Community Services, June 2007 DEWR

4 Community Services and Health Industry Report June 2007 OTTE

5 K. Sykes, DHS, Unpublished presentation, 2008

physiotherapists, pharmacists, dentists and medical imaging, and there are recruiting difficulties for some less skilled occupations, especially in aged care⁶

- Issues of workforce development and job re-design are being actively pursued and the Health Training Package and Community Services Training Package reviews both include many enhanced roles
- The largest occupational groups include long day care, community welfare, disability work, aged care and nursing

Not only is the community services and health sector one of the largest and fastest growing, it is also of critical importance to the wellbeing of the broader Victorian economy, as it underpins the capacity of the whole community to effectively engage in work. Without adequate support from this sector many people would not be able to fully participate in the broader workforce.

The following brief overview serves to illustrate the type and extent of services that are required to be delivered by the community services and health sector to the Victorian community:

- 20.5% of Victorians are under the age of 14 and therefore require school health, (including dental) services, many are in long day care, child care and out of school hours care and they and their families require access to specialized services such as maternal and child health (Query – does this need to go in? – not part of VET provided by the community services and health sector.
- Another 16% of the population is over the age of 65 and are - or are starting to - access aged care services. However, with appropriate support many 65+ individuals are remaining in the workforce. Their participation in the economy will be critical both to their own economic wellbeing and to that of the state economy.
- One in five Victorians will require support for a mental health issue in their life. In 1996 in Australia mental disorders were responsible for nearly 30% of the non-fatal disease burden⁷.
- One in five will suffer from diabetes, - when? Ref?
- One in three men and one in four women have a risk of cancer⁸.
- One in twenty children born in 2006 will be reported to child protection services⁹
- As many as one in five women will be victims of domestic violence at some stage of their lives¹⁰
- One in 20 Victorians has a significant disability, and 12 per cent of Victorians are carers for people with a disability¹¹.
- Asthma rates in Australia are high compared to other countries, with over two million people affected. This includes one in nine adults and one in eight teenagers and one in seven primary school age children.¹²
- In Victoria, 56% of men and 38% of women self reported as being overweight or obese. Obesity poses a major risk for chronic diseases, including type two diabetes, cardiovascular disease, hypertension and stroke and certain forms of cancer¹³.

⁶ Department of Employment and Workplace Relations - Fact sheet

⁷ Vic Health website 2008

⁸ www.cancervic.org.au/downloads/about_our_research/canstats/

⁹ Protecting Children – the child protection outcomes project p3 2003, Allen Consulting

¹⁰ <http://www.aph.gov.au/library/intguide/SP/ViolenceAgainstWomen.htm>

¹¹ ABS data sets 2007

¹² Better Health Channel 2008

¹³ Vic Health website 2008

These facts are by no means exhaustive but give a brief insight into the demand for services which will grow as our population ages and increases.

At the same time workers in this sector provide services and care to the most vulnerable Victorians. Many of them face working with clients with increasing complexity. Examples of increasing client complexity include:

- Mental health services, where clients are presenting with more complex issues, as the overburdened system frequently cannot admit those with less complex, less acute needs
- in drug and alcohol services many clients presenting with multi-drug use, with workers requiring new knowledge and new strategies to deal with new substances and interactions
- in child protection, children and young people often present with more complex issues and are from more challenging backgrounds
- age care services face significant issues with changes to expectations of service users and their , increased number of people over 90 and 100 in the system, increased number of young people in residential aged care facilities, and increased age acquired disability and co-morbidity

Community services and health are sectors typified by predominantly female, ageing workforce. In community services many workers are under qualified. The Community Services and Health Industry Training Board Inc therefore acknowledges the need to address the workforce development needs of the sector. A comprehensive sector based workforce planning and development strategy that takes into account the multiple drivers that impact on service delivery and client outcomes is of critical importance.

The Board welcomes the State Government's intent to address the issue of skill shortages. In developing a workforce to meet future community needs, education and training systems must be robust, with delivery and funding policies that ensure the viability of the both the workforce and the training system into the future.

However, this cannot be done in isolation. Significant service delivery in our sector is undertaken by community organizations, on a not for profit basis. Often these services are funded at below delivery cost, with workers being paid at rates significantly below their counterparts in the public sector or equivalent levels of qualification in other sectors.

The Board believes that the impost of further costs – on either the employer or employee - to participate in vocational training would seriously curtail the development of a skilled and competent workforce.

Increasing reliance on new technology, emerging evidence to improve practice and increasing client complexity and consumer expectations, legislative requirements are all drivers which are constantly changing, with the challenge being to provide to training which is dynamic, and 'up to the minute'.

Two significant aspects of the paper will be addressed before responding to the questions posed.

Overcoming Barriers to Training (4.4 page 11 of the consultation paper)

The section of the paper dealing with barriers to training misses a significant point. The barriers are identified as being individual or organizational, when they are in fact systemic barriers. The following table identifies some of the underlying systemic issues that must be addressed in order to achieve optimal participation in the training system.

Individual Barriers	Business Barriers
<p data-bbox="178 568 874 600">Access issues</p> <ul data-bbox="178 607 874 1171" style="list-style-type: none"> <li data-bbox="178 607 874 869">• Many workers are on low pay and work part time. Costs (travel, childcare, etc), family commitments and fees may well mean many individuals are simply not able to access VET. While education may well enhance their life outcomes the existing systemic barriers militate against their initial and sustained engagement with the training system <li data-bbox="178 875 874 1171">• Non-mainstream entrants to the community services and health sector often require specific and remedial skills prior to undertaking VET courses, i.e., literacy and numeracy, personal support in relation to language, cultural and social barriers limit access to engaging in education (e.g. WELL, CALD, Aboriginal and Torres Strait Islander specific support) 	<p data-bbox="882 568 1501 600">Difficulty in releasing employees for training</p> <ul data-bbox="882 607 1501 1171" style="list-style-type: none"> <li data-bbox="882 607 1501 703">• The cost and availability of staff for backfill is prohibitive to many organisations
<p data-bbox="178 1178 874 1209">Attitudinal barriers</p> <ul data-bbox="178 1216 874 1509" style="list-style-type: none"> <li data-bbox="178 1216 874 1509">• Societal messages about TAFE remain wedded to its key outcomes being related to training for those who do not expect to gain higher education, or remedial education for those who have failed at earlier education. VET needs to be reframed, so that it is clearly established as a system for training people to be work ready for a wide variety of occupations. 	<p data-bbox="882 1178 1501 1209">Perception of value</p> <ul data-bbox="882 1216 1501 1509" style="list-style-type: none"> <li data-bbox="882 1216 1501 1509">• Employers may not value VET education if society as a whole does not. Certainly the less than favourable way Higher Education providers often regard VET qualifications, and their worth in terms of credit transfer may require some attention.
<p data-bbox="178 1516 874 1547">Employer attitudes</p> <ul data-bbox="178 1554 874 1778" style="list-style-type: none"> <li data-bbox="178 1554 874 1778">• Many employers are reporting significant issues with releasing staff to study as backfill staff are not always available. Strategies are being put in place to address this in some fields (child protection, disability and housing) but often there is insufficient funding to cover the costs of release and backfill. 	<p data-bbox="882 1516 1501 1547">Direct cost of training</p> <ul data-bbox="882 1554 1501 1778" style="list-style-type: none"> <li data-bbox="882 1554 1501 1778">• Most of the data in the paper refers to TAFE delivery or government funded training. Significant investment is already made by industry in purchasing fee for service accredited training from private RTOs. An analysis of this investment would be useful in informing discussions.

<p>Finance</p> <ul style="list-style-type: none"> The poor pay, particularly in the community sector and in lower level roles, the increasing casualisation of the work, and the aging workforce make financial considerations a key issue. Introducing a user pays system for workers wishing to up skill would act as an impediment to training unless consideration was given to other drivers such as linking higher qualifications to pay increments in awards. 	<p>Short term productivity costs of training</p> <ul style="list-style-type: none"> In many organisations the short term productivity costs are more accurately represented by the dilemma that if a staff member is on training a client may be left un-serviced and therefore at risk
<p>Lack of desire for skilled work</p> <ul style="list-style-type: none"> For many individuals, a lack of self esteem, disengagement with their community and issues relating to their mental health often manifest in a lack of desire to undertake further education. Appropriate support, such as case management is essential. The introduction of fees, and of a HECs style loan scheme, will surely serve to ensure such individuals do not further their education. 	<p>Lack of relevant training products</p> <ul style="list-style-type: none"> Many large VET providers are able to deliver 'off the shelf' packages through historically acceptable modalities (work release, night school, classroom based). Making VET more responsive to industry needs requires the implementation of flexible delivery systems. Certainly, RCC/RPL processed need to be implemented as a key priority. The ongoing development of training packages seeks to address this issue.
<p>Learning ability</p> <ul style="list-style-type: none"> Low levels of literacy and numeracy are rarely life long afflictions if addressed appropriately. Over eight years the Board has acknowledged the significant journeys that individuals have made through great hardship to complete VET qualifications (CS&HITB Life-long Learner Awards). Those who have won Awards serve as testament to the fact that with appropriate resourcing, the support of supportive educators, learning ability can be acknowledged and actioned. 	<p>Flexibility in delivery of training products</p> <ul style="list-style-type: none"> The community services and health industries are committed to a high use of workplace based learning and multi-modal delivery strategies. The barriers of inequity in funding and cost structure for students undertaking RPL is not being addressed quickly enough. In many pockets of the industry RPL has no traction as it is so difficult to access. Work on enhancing take-up of RPL by RTOs is critical, as is ongoing support with multimodal (with an emphasis on workplace based) delivery.
<p>Learning style</p> <ul style="list-style-type: none"> Many individuals who have had a previous challenging experience with education may have had so because of an incompatibility between teaching and learning styles. Supporting the development of educators to ensure that they can deliver in a range of modalities, and ensuring that the system is able to support diversity is critical. 	<p>The short term and historical ability to get by with no training</p> <ul style="list-style-type: none"> Given significant legislative frameworks, the emergence of government policies on risk management, compliance and evidence based practice ability to get by with no training is no longer an option. However even no or low cost training is outside the scope of some organizations because of the issues of backfill, service continuity and agency costs.
<p>Locating entry points to the system</p> <ul style="list-style-type: none"> For individuals with little exposure to learning complex bureaucratic processes are a substantial barrier. A range of programs have 	<p>Access difficulties</p> <ul style="list-style-type: none"> Creating effective relationships between employers and educators requires time and investment. Currently employers are

<p>been put into place to assist navigating the system (e.g. skill stores, various websites. Ad campaigns etc). These mechanisms need to be supported and maintained.</p>	<p>faced with worker shortages limiting time to go out and create relationships whilst educators are faced with significant demands on their time in relation to contact hours, administrative functions (e.g. reporting, risk management etc). This creates a time poor system and results in both parties disengaging from dialogue.</p>
<p>Negative past experiences</p>	<p>Employer attitudes, including negative past experiences</p>
<ul style="list-style-type: none"> • See learning style and ability comments 	<ul style="list-style-type: none"> • See above

Benefits of higher level VET qualifications

The discussion paper sites the following quote:

Individuals benefit for the rest of their working lives from higher level VET studies. Evidence shows that the training they undertake improves their chances of getting a job, and means that they can earn higher incomes than they would otherwise. Their up-front investment in study therefore continues to pay off year after year. Estimates suggest that this payoff is high, at around 7 per cent or more of the total they pay in fees and the income they give up while they study.

Source: Chapman, B., Rodrigues, M. and Ryan, C. (2007), HECS for TAFE: the case for extending income contingent loans to the vocational education and training sector, Commonwealth Treasury Working Paper, 2007-2, April.

This statement is contentious as it is unclear what the 7% increase refers to in relation to the timeframe for the return. 7% is not a significant return over a working lifetime when compared to the benefits of higher education. It is contestable that in the community services and health sectors there is necessarily a relationship between higher qualifications and increased earnings in individual cases.

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

Government needs to consider the adequacy of its current allocation of funds to VET. We understand the funding for student contact hours, from 2002 to 2006 has increased by only 2.15%, from 60.4 million hours to 61.7 million hours¹⁴.

Eligibility criteria should reflect:

- The concept of equity – with exemptions and/or targeted places for disadvantaged and marginalized groups who otherwise would not be able to access training.
- The areas of greatest identified skills need/shortage
- The current workforce and their need for up skilling to a higher qualification
- The need for retraining both within and across sectors.
 - Access to currently available but not reported on delivery by industry based RTOs who operate in the competitive market where funding is full fee paying and targeted to specific workplace of sub-sector delivery e.g. delivery by peak body RTOs that is not supported by PETP or any other stream. No data on the value of this delivery is available and yet it is a significant segment of the market.

¹⁴ Campus Review, 29 May 2008, in John Ross article

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

- It is likely that Victorians who have never considered VET studies fall into two classes – those who have undertaken Higher Education studies, and those who have not completed formal schooling.
- For the first group VET studies are most likely to be of interest if the course/qualification addresses job skills that will enhance employment opportunities and/or job satisfaction. The promotion of higher VET qualifications as role specific skill enhancement training would be more attractive than current VET promotion which tends to focus on post school entry and traditional trades. The promotion higher VET qualifications, such as Advanced Diplomas and Vocational Graduate Certificates would be likely to be successful if aimed at university graduates and their employers
- For the second group, there are significant barriers that need to be overcome. Such barriers include a fear of classrooms and teachers, and of failure. The following strategies may be worth considering
 - A focus on workplace and mixed mode delivery, with clear explanations of the career pathways available through VET.
 - Promoting VET as a step to higher education for those who have the drive but not the formal educational attainment.
- Developing promotional material that highlights personal journeys and benefits of training for VET participants.

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

- The relative pay rates of graduates across industry sectors should be reflected in any personal contribution (e.g. a cert IV in a health and community services area may be not commensurate with the salary of cert IV in a traditional trade)

There must be scope to ensure that those coming into training from marginalized backgrounds (migrants, long term unemployed, people with a disability being engaged in the workforce through training and youth at risk) are exempt from payment.

Within the Community Services and Health sector, there are well documented shortages in higher qualifications areas, such as Diploma of Disability Work, Cert IV (and soon Diploma) of Nursing, Diploma of Child care and Diploma of Dental Work. There needs to be mechanisms to ensure areas of skills shortages are exempt.

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

- Given fees and charges are already a significant barrier to entry into training, introducing fees for many of the courses may be likely to reduce the take up of qualifications rather than stimulate it. There are few qualifications in community service and health sector that deliver high financial benefits to individuals. Indeed the personal benefit is generally in non monetary terms – a sense of providing better care and services, of a doing a job well. This is particularly true as few awards have an automatic increments related to higher qualifications.
- Given the high incidence of students or organizations already paying full or significant contributions in this sector, consideration needs to be given to waiving

fees for health and community service qualifications up to and including practice and management qualifications at Advanced Diploma level.

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

The Board believes that given:

- the substantial issues facing the community services and health sector in recruiting and retaining staff,
- the barriers to many of our potential workforce entering education,
- the issues of wages parity and return on investment in training to individuals and
- the considerable issues that would need to be addressed in resolving the systemic barriers to engaging in training

the short answer to this question is no.

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

- The current collection and analysis of data is not sufficient to inform policy. Currently the system seems to respond to data as its primary input. A more rigorous attempt to interpret and analyse data is required. An example is the statistic cited in the paper that 1.4 million Victorians have no post school qualification. This is insufficient to generate the knowledge necessary to inform us if this is a bad thing or how to address the sub-issues inherent in it. What percentage of these workers are working without required or preferred qualifications, what percentage have already retired, or would retire before they could complete training, what percentage would improve their prospects if trained, how many would get different employment if trained? These and many other issues are not addressed by the fact of 1.4 million having no qualification. In fact many of these are possibly some of the wider population engaged in VET and University Education.
- Current data collection requirements see the submission of data to various government bodies but there is little or no return of that data. There are gaps in what is collected (for example, AVETMIS data does not include self funded, accredited training leading to full qualifications). What is published is often opaque and not useful to training providers, individuals or industry. While organisations such as the Board seek to compile industry intelligence this is often inhibited by lack of access to data and information reported to funding bodies.
- Existing data does not indicate the number of managers/administrators required by sector
- There appears to be no analysis of the number of trainers required or the time required to train trainers to meet increased training demand.
- Individuals will choose training that is affordable, easy to access and consistent with their understanding of employment prospects. This does not always equate with the development of an appropriately skilled workforce that will meet industry needs. Prospective students often have a poor understanding of courses/qualifications available, career pathways, industry demand and employment prospects. Mechanisms need to be introduced to ensure there is the availability of the right information at the right time for those contemplating VET studies, and subsequent financial and other commitment. Little information or analysis of these matters is cited in the discussion document. However, much research has and continues to be undertaken on the drivers for participating in

education. Consolidating such research would be of benefit to informing future planning.

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

- While governments contend that competition enhances productivity it is more generally understood in the community and health sectors that competition in fact increases substantially the costs of doing business, reduces capacity to deliver services whilst harming relationships between providers and industry. Government would be better able to achieve higher outcomes through fostering collaboration. A case in point is the tendering of service delivery through competitive tendering. As senior executive recently cited a calculation done by a number of CEOs competing for approximately \$1million in government funding. Taking the time of staff in all the tendering organisations alone to design and document a tender response, the cost to the sector of the dozen or so submissions was in the region of the sum on offer.

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

- Government's role is also to support the system in which students learn. This includes supporting the training providers, industry, employers and communities to address the systemic issues that restrict individual access to education.
- Training provider flexibility is a consequence of responding to market demand. The consultation paper suggests that business is 85% satisfied with training. While it may be possible to achieve a higher satisfaction rating, 85% is admirable. Government would be better advised to support quality improvement projects working within the existing system rather than re-engineering the system from scratch.
- There is no change management cost benefit analysis detailed in the paper and therefore it is hard to ascertain why the paper appears to take such a radical approach to reframing the training system.
- Training provider flexibility also has implications for training deliverers' employment, demand for trainers, and access to training qualifications for industry experts.

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

- This question re-asks the previous questions. Therefore a consolidated response is listed below:
 - better marketing - utilizing existing rather than creating new channels i.e. supporting ITABs, peak bodies, employee bodies to enhance their existing communication strategies; creation of effective media advertising that identifies the features (easy to access, short time commitments, low cost) and benefits (higher income, promotion, and entry into high demand job roles)
 - support for systemic improvements across the sector rather than wholesale change;
 - recognize the challenges faced by disadvantaged entrants and provide effective support

- focus on developing a collaborative rather than a competitive system
- Ascertain the demand for critical roles and implement strategies to meet demand for example, the number of trainers required and the number and type of qualified staff in a particular sector.

Conclusion

Whilst the Board agree with the intent of the paper, it considers that given some of the issues that particularly affect the community services and health industry, further consideration would need to be given to the mechanisms that could be implemented to drive a more effective and responsive training system.

The Board contends that the mechanisms for developing a comprehensively trained, mobile, responsive workforce to meet the demands of an evolving industry operating in complex political and economic structures is more complex than that of moving to an income contingent loan system combined with user pays/user choice model. The Board would welcome the opportunity to further discuss these matters in more detail with the Minister and relevant staff.

10 June 2008