

Monash University-ACER Centre for the Economics of Education and Training

CEET Conferences, Papers and Staff News

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CEET SHEET edited by Phil McKenzie

1. Setting the Pace

A recent study conducted by Michael Long from CEET examines the extent to which the substantial reforms introduced in Victoria since 1999 have improved transition opportunities and outcomes for 15-24 year-olds. The report examines a wide range of education, training and labour market indicators for teenagers and young adults. The main findings include that:

- Victoria rates ahead of most states in overall educational attainment, participation in VET, and the proportion of young people engaged full-time in learning or work;
- Victoria does relatively well in terms of school retention, apprenticeship commencement, unemployment, and the proportion of youth 'at risk' in the transition from school;
- Victorian 15 year-olds perform less well in achievement tests in mathematics, science and reading relative to students in comparable states; and
- Victoria has a relatively low rate of student participation in VET in schools.

Although focused on Victoria, the analytical framework should prove useful across Australia as governments grapple with how to engage all their young people in meaningful learning and work. The report, *Setting the Pace*, was prepared for the Dusseldorp Skills Forum (DSF) in association with the Education Foundation and the Business Council of Australia (BCA). The full report is available from the Dusseldorp website at: <http://www.dsf.org.au/papers/174.htm>

2. The Importance Employers Attach to Employee Qualifications

Chris Selby Smith was involved with two related books recently published by NCVER:

- *The place of recognised qualifications in the outcomes of training* (by Lee Ridoutt, Kevin Hummel, Ralph Dutneal & Chris Selby Smith, May 2005)
- *What value do Australian employers give to qualifications?* (by Lee Ridoutt, Chris Selby Smith & Christina Cheang, May 2005)

The study found that while 90% of the employer respondents valued qualifications in at least one circumstance in managing their business, less than a quarter treated qualifications as something to be appreciated without question. Respondents tended to ascribe value to qualifications insofar as they supported business decision-making or operations and added to the security and prosperity of the enterprise. The respondents also differentiated between circumstances where they saw greater or lesser

benefits from their employees holding an appropriate qualification; and they drew a strong distinction between qualifications and experience, with the latter tending to be more valued over a wider range of business circumstances.

Employers used qualifications differently by type of employee, nature of human resource decisions (respondents used formal qualifications most to plan for future skill and training needs, recruit new employees and ensure regulatory compliance), and the type of business risk they were attempting to manage (compliance risks were thought by enterprises to be better controlled by a formal qualification or through skills development, whereas business risks were thought more likely to require other approaches). These relationships appeared to be influenced by a range of enterprise characteristics, such as their size and state of change or innovativeness.

The study findings suggest that high levels of enterprise change and innovativeness are associated with *lower* support for the value of qualifications (contrary to what might be expected, a priority). Perhaps the explanation is that these conditions translate into a demand for more “just in time” type skills development, whereas the pursuit of formal qualifications is more long term and strategic?

From the perspective of VET policy, planning and implementation there is the challenge of ensuring that the complexity of circumstances and options that confront individual enterprises is appropriately matched by the array of training products and services.

The reports are available from the NCVET website at: www.ncver.edu.au

3. VET Systems and the Challenges of Innovation

This paper by Fran Ferrier from CEET explores policies, programs and other initiatives by Australia’s states and territories to support innovation, and to build VET capability to respond to its effects on skill needs. It focuses on initiatives to encourage innovation in industry and enterprises, and those seeking to strengthen VET responses to innovation.

The study documents a wide range of initiatives, and analyses their objectives, funding and major features. The level of attention – and funding – being given to the challenges of innovation is substantial and growing across Australia. States and territories have expressed a strong commitment to encouraging innovation as a means of economic and social development, and improving current industry practice. Some states have adopted a “whole of government” approach, while others have been more decentralised with individual departments and agencies developing their own objectives and initiatives. The latter does not necessarily result in a lack of co-ordination and integration.

Most states have implemented centres and on-line sites to provide resources and other assistance to support innovation and the commercialization of new products and processes. There appears to be considerable duplication of effort, and a more co-ordinated approach – including across state borders – would help free up resources.

Most states and territories have established a body to advise governments on innovation issues. However, formal representation of the VET sector on these bodies is unfortunately rare. The study concludes that that greater VET involvement in these bodies would be mutually beneficial. It would allow VET systems early access to knowledge about the directions of innovation. Greater VET involvement would also provide governments and industries with information about possible VET responses – and where further effort is needed to provide appropriate and timely training.

How can VET systems meet the challenges of innovation and new skill requirements? An exploration of State and Territory initiatives in Australia by Fran Ferrier. CEET Working Paper No. 59. April 2005.

Download from the CEET website at: <http://www.education.monash.edu.au/centres/ceet/publications/workingpapers/>

The study also compared Australian experience with England’s Centres of Vocational Excellence (CoVE) program, which the UK Department for Education and Skills (DFES) sees as a ‘key driver’ in enhancing the further education sector’s contribution to meeting the nation’s current and future skills needs’. The English experience will be examined in a forthcoming CEET working paper.

4. User Choice Resourcing Arrangements

Two papers by Chris Selby Smith document the User Choice resourcing arrangements operating in each jurisdiction and at national level in March 2004, together with relevant industry views. User Choice was adopted in 1997 as a strategy to increase the responsiveness of the VET system to the needs of clients through the encouragement of a direct and market relationship between individual providers and clients. This project was commissioned by ANTA to assist with the development by MINCO of revised User Choice resourcing arrangements for implementation at the beginning of 2005.

Working Paper No 57 outlines the priority determination processes operating in each State and Territory, and at national level, and the situation as viewed by employer and employee organisations. *Working Paper No 58* analyses the 2004 User Choice arrangements in each jurisdiction in terms of their consistency with MINCO principles, consistency across States and Territories, consistency between the views of employer and employee organisations, and consistency between VET and industry stakeholders.

The project noted that there was considerable consistency in the priorities by which User Choice resources were allocated by the different States and Territories. There was evidence of a common priority for apprenticeships over traineeships, for some industries over others, for some AQF levels over others, and for ensuring reasonable provision in regional and remote areas. State and Territory authorities also seemed to experience a common tension between User Choice, where the demand side tended to drive the training system, and the overall management of the VET system. On the other hand, there were considerable differences between jurisdictions in their overall approach to User Choice and how they structured the process and determined the resource allocation outcomes.

There were also considerable differences between the VET authorities in the States and Territories and the industry partners. User Choice was introduced at the urging of industry, its expansion and development have been supported by industry, but the enthusiasm for its introduction and development among the educational authorities has been noticeably less marked. The industry partners also tended to place a higher priority on the training needs of existing workers compared to those of entry level workers than the educational authorities.

User Choice Resourcing Arrangements in Australia in March 2004 by Chris Selby Smith. CEET Working Paper No. 57. March 2005.

Download from the CEET website at: <http://www.education.monash.edu.au/centres/ceet/publications/workingpapers/>

Analysis of User Choice Resourcing Arrangements in March 2004 by Chris Selby Smith. CEET Working Paper No. 58. March 2005.

Download from the CEET website at: <http://www.education.monash.edu.au/centres/ceet/publications/workingpapers/>

5. Global Labour Mobility and Mutual Recognition of Skills and Qualifications

This paper looks at policies, programmes and measures that encourage the mutual recognition of qualifications and cross border mobility. It describes developments in the European Union, and in Australia and New Zealand. The EU has evolved over the last half a century from a union of six countries to that of twenty-five countries today. One of the founding principles was the free right of its citizens to live and work in different Member States. Australia and New Zealand have had open borders for its citizens and a close trade agreement—Australia-New Zealand Closer Economic Relations Trade Agreement (CER)—for 21 years. Even though under the Constitution of the Commonwealth of Australia interstate commerce is unrestricted, the Australian states signed a MRA amongst themselves only in 1992 and with New Zealand (Trans-Tasman MRA) in 1997.

The paper examines the economic and social case for greater labour mobility across national borders, analyses the factors that inhibit mobility, and documents initiatives by the EU, Australia and New Zealand, to reduce one of the major barriers – the limited recognition of skills and qualifications gained in another jurisdiction.

Labour mobility and mutual recognition of skills and qualifications: European Union and Australia/New Zealand perspectives, Chandra Shah & Michael Long. CEET Working Paper No. 56, 2004.

Download from the CEET website at: <http://www.education.monash.edu.au/centres/ceet/publications/workingpapers/>

6. Chris Selby Smith Retirement

Chris Selby Smith retired from the Department of Management in the Faculty of Business and Economics at the end of June. Chris has been a Director of CEET since it was established in 1992. Over the succeeding 13 years he has been a key player in CEET's development, and led a large number of CEET projects. His recent publications include the extent to which employers value the formal education qualifications held by their employees, ways in which the provision of education and training can become more responsive to the requirements of individuals and enterprises, the provision of education in non-metropolitan regions, and for those with a physical or intellectual disability, and training for frontline managers.

Chris has played a leading role in the economics of education and training over the past 40 years. He has a first class honours degree from Melbourne (1960-64) and a doctorate from Oxford for a cost-benefit study of the English system of further education (1968). He held an academic position at the Ontario Institute for Studies in Education in Canada before working at the Education Research Unit in the Australian National University (1969-75). From 1975 he was a senior officer in the Prime Minister's Department (1975-80), the Health Department (1980-84), the Public Service Board (1984-87), and the Department of Industrial Relations (1987-88). He was secretary to the Committee of Inquiry into Education and Training established by Prime Minister Fraser to investigate upper secondary education throughout Australia, post-secondary education and training, and the relationships between education, training and employment (the Williams Committee, 1976-79). He was also the secretary to the Cabinet sub-committee (1976 to 1979) which determined the Government's response to the Inquiry's recommendations. In 1988 he was appointed a Professor in the Business Faculty at Monash University's Clayton campus. He has undertaken work for international agencies, including OECD, UNESCO and the World Health Organisation; and also for AusAID.

Chris will continue work as a consultant including a current project with CEET.

All his CEET friends and colleagues wish him well in his retirement, and thank him for his major contributions over many years.

7. Skill Shortages in the UK – Issues, Problems and Ways Forward

CEET Seminar: Tuesday 20 September 2005

Professor Ewart Keep (Oxford & Warwick universities)

The seminar examined the evidence on the existence of skill shortages and gaps in the UK economy, with particular stress on the implications of changes that have taken place in the meaning of skill in the last two decades, the potential mis-match between skills and qualifications, and the inter-play between the concept of skill shortages and wider public policy debates about education and training. Also discussed were the policy responses that have resulted from perceptions of skill shortages, particularly the current emphasis on forecasting future skill needs, and planning the VET system to meet this expected demand.

Ewart Keep is Deputy Director at the ESRC Centre on Skills and Organisational Performance (SKOPE) based at the Universities of Oxford and Warwick. He has advised many government departments and published extensively on VET policy.

The seminar was jointly organised by CEET, the Victorian Department of Education and Training, and the Monash Institute for the Study of Global Movements.

Professor Keep's slides are available from the CEET website at <http://www.education.monash.edu.au/centres/ceet/seminars/> and further information on his work can be found at the ESRC Centre on Skills, Knowledge and Organisational Performance website at: <http://www.skope.ox.ac.uk/>

8. CEET National Conference: Friday 28 October 2005

Australian education and training: responding to economic trends and social needs

Ascot House, Ascot Vale

Conference Chair: *Virginia Simmons* (CEO, Chisholm Institute of TAFE)

Presentations included:

- Innovation and training, *Patricia Neden* (Deputy Secretary, Department of Education & Training, Office of Training & Tertiary Education, Victoria)
- International developments and Australian employment: key findings, *Phil McKenzie & Gerald Burke* (CEET & ACER)
- 'Good job prospects', 'skill shortages', and Job Outlook, *Denis Hart* (Department of Employment and Workplace Relations)
- Skilled migration, *Chandra Shah* (CEET)
- The youth labour market, *Mike Long* (CEET)
- Older persons, *Fran Ferrier* (CEET)
- New responses in NSW, *Lesley Loble* (Deputy Director-General, Strategic Planning and Regulation, NSW DET)
- New ways to support learning in VET, *Jim Davidson* (Deputy Secretary, Department of Education, Science and Training)
- Future funding, *Peter Noonan* (CEET & Peter Noonan Consulting) and Gerald Burke

Selected papers and PowerPoint presentations are available from the CEET website at:

<http://www.education.monash.edu.au/centres/ceet/publications/conferencepapers/>

9. The Second International Conference on Training, Employability and Employment

September 22-23 2005

Monash University Centre Prato, Italy

Keynote Speaker was Prof. Dr. Gerhard Bosch who spoke on recent innovations in VET systems in Europe. Gerhard Bosch is Professor of Sociology at the University of Duisburg- Essen and Vice-President of the Institute for Work and Technology.

The conference organised by CEET (Richard Cooney) and the Centre for Industrial Relations and Human Resource Management at Leeds University Business School (Mark Stuart), examined:

- Training, employability and lifelong learning
- Employee training and internal labour markets
- Training and external labour market outcomes
- Vocational qualifications, competencies and the transferability of skills
- Methods of evaluating training
- Training and economic performance
- Social inclusion and training for disadvantaged groups
- Partnership-based approaches for learning, training and employability
- Unions, training and workplace bargaining
- Trade unions, training and public policy

Selected conference papers will be published in a special collected edition. For further information contact Richard Cooney at Richard.cooney@buseco.monash.edu.au

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