

***The National Training Reform Agenda
1987-1996***

Points of difficulty in a partial transformation

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Given the economic and social problems they are facing today, which are cyclical in certain cases and essentially and more profoundly structural in others, our societies are making many pressing and sometimes contradictory demands on education and training systems. Education and training are expected to solve the problems of the competitiveness of businesses, the employment crisis and the tragedy of social exclusion and marginality - in a word, they are expected to help society to overcome its present difficulties and to control the profound changes which it is currently undergoing”.

Commission of the European Communities, White Paper on growth, competitiveness, and employment - The challenges and way forward into the 21st century, Chapter 7:7.1 Training the catalyst of a changing society, Brussels, 5 December 1993.

Background

During the past four years, I have been researching the origins and history of the national training reform agenda (‘the Agenda’) from the mid-1980s to early 1996. The aim of my thesis is twofold. First, to examine the main factors behind the formulation of the Agenda as an instrument of public policy, including linkages with other policy areas. Second, to provide an historical overview of the main events and themes of the Agenda, from the perspective of the federal Labor government which saw itself as leading the reform process in vocational education and training.

The Agenda is sometimes seen as a sharp break with the past, even though many of its aspects were about overcoming various historical legacies. My position is that the development of VET is another phase in the long history of technical education in Australia with the Agenda constituting an important watershed rather than a complete break in that history.

Despite the advances made under the Agenda, technical education remains a problematic area. The Agenda was compromised in both its formulation and its execution. It still remains in the area of unfinished business. Governments are still struggling with the process of reform, its shortcomings and consequences, and there have recently been a number of significant inquiries into VET in Australia (the Senate enquiry into VET being one). The purpose of my paper is to show how the Agenda ran into difficulties in some key areas.

A partial transformation

The national training reform agenda of the Labor years resulted in a partial rather than a complete transformation of Australian technical education. In particular, the policy reforms largely instigated by the federal government did not succeed to the extent they could have. Consequently, many of the underlying cultural, economic and structural problems that plagued the old ‘technical education’ continue to exist. We are all familiar

with the perennial problems of limited funding for educational institutions¹ and low status of VET within Australian society². Other issues yet to be resolved in the sector include:

- insufficient investment by firms in training in specific industries and areas³ (for instance, maintaining apprenticeship numbers);
- continuing difficulties in federal-state co-operation;⁴
- collective failure to address the issue of middle level or intermediate skills;⁵
- the need to expand vocational education and training opportunities in the service sector of the economy, for example in business services⁶; and
- inability to successfully address cyclical skills shortages in occupations such as the traditional trades.

No reform process can be expected to be completely successful, but the persistence of major issues such as the above raises questions about the nature of the national training reform agenda. To give it its due, the national training reform agenda was significantly different from other peak episodes⁷ in the history of Australian technical education. Through the Agenda, the federal government managed to raise the public profile of technical education and make it an issue of national importance. The mechanism of the Agenda led to the acceptance of the need for a national system of training with defined and recognised qualifications. It did not, however, fundamentally change the foundations of technical education. These remained intact. At the same time, however, the transformation of technical education into vocational education and training saw a loss of a valuable tradition⁸ and of an ethos which has yet to be replaced⁹.

¹ Technical institutions such as the old South Australian School of Mines and Industries, later the South Australian Institute of Technology, were notoriously short of funds and highly adept at existing on financial shoestrings. Many present day TAFE colleges/institutes may well relate to this state of affairs.

² The lack of status of technical education versus general learning dates well back to the nineteenth century.

³ There is a continuing debate about the nature and extent of private investment in training in Australia with some divergent opinions expressed as to the adequacy of this investment.

⁴ Several states, for instance, do not recognise the New Apprenticeships terminology used by the federal government to describe both apprenticeships and traineeships.

⁵ NBEET's middle-level skills report, to quote one of the interviewees of my thesis, 'sunk without a trace' and the federal government refuses to extend incentives (subsidies) to employers for people whose initial training is at the AQF 4 or 5 level.

⁶ Large areas of the service sector of the economy such as hospitality and tourism, retail and financial services have had no history of structured entry-level training until very recently and this continues to be an issue.

⁷ These peak episodes generally took place during times of war or depression.

⁸ Some people maintain, however, that the TAFE colleges/institutes still harbour some of the old traditions of technical education and that TAFE is not VET. Given the strength of the TAFE system in NSW, for instance, this idea is not without its merit.

⁹ The desire to create what has been called a 'training culture' seems to be partly the desire to create a new ethos.

Historical context of the Agenda

The national training reform agenda was formulated in¹⁰ a significant economic crisis during the mid-late 1980s, a crisis that had potentially serious social consequences, such as sustained high unemployment and reduced living standards. The crisis, although driven by specific external factors, was the result of the fact that Australia faced three major levels of economic change¹¹ viz:

- Global - rapidly changing global macro-economic conditions, for example, volatile commodity prices;
- National/industry - adjustment to new federal government policies such as the reduction in tariff levels and;
- Firm/workplace – the impact of changes in the internal management and operations of firms such as workplace organisation (increasing use of teams), lean production, total quality management.

The federal Labor government responded by entering a period of macro-economic reform, followed from 1987 onwards by micro-economic reform. The key platforms of micro-economic reform were industry restructuring (structural adjustment), industrial relations reform (award restructuring) and education reform (particularly but not only training reform)¹².

The federal government and other interested parties¹³ hoped that the changes wrought by the national training reform agenda would provide, not only the immediate skill needs of the nation, but also the basis for strengthening the links between vocational education and training and a ‘modernised’ Australian economy. The characteristics of this economy were seen to include a more technologically advanced manufacturing sector and a stronger orientation towards the tertiary or service sector. Both of these visions required new skills and a more highly trained workforce. It is not surprising, therefore, to find that the emphasis of the reforms under the Agenda were primarily directed towards improving the existing employment-related, or industry training, particularly the apprenticeship and traineeship systems.

¹⁰ The perception of this crisis was, in the case of the federal government, at least as important as actual events.

¹¹ Although the recession of the early 1980s highlighted Australia’s dilemma, indications of difficulties had existed earlier. In particular, the Vernon report of 1965 was the first sign of recognition that the post-war economic structure of Australia was based on an unsound footing. Interestingly, the report made reference to the inadequate nature of vocational training in Australia.

¹² There was also, supposedly, co-operative federalism for other matters such as the reform of the waterfront and the rail network.

¹³ Most notably some sections of the union movement such as the metalworkers’ and teachers’ unions.

Industry training and Award Restructuring

Existing industry training in Australia had serious shortcomings by the late 1980s. Apprenticeships were confined to a small number of traditional trades and were virtually a male enclave. Traineeships were limited in spite of the federal government's efforts to expand their scope. An alternative to continuing with this structure would have been to completely disengage apprenticeships and traineeships from the industrial relations system and place them in the education system¹⁴ as happened with nursing training¹⁵. Such an approach may have seen the identity of technical and technological education institutions enhanced. Indeed, the distinctiveness of technical education could have been viewed as strength, and built upon.

If such an alternative had ever been feasible, it was not viewed as necessary at the time because of the impact of award restructuring, and because educational institutions were not viewed with favour by policymakers. Award restructuring was a key policy in the late 1980s and had strong links with training reform. In terms of training, award restructuring encompassed a range of ideas from career paths for skilled workers and changes to apprenticeships through to the retraining of workers displaced by the process of 'structural adjustment'.

Award restructuring and the national training reform agenda did not change was the old link between unions, industrial awards and apprenticeships/traineeships. This link is complex enough in its own right but when situated in a sometimes adversarial environment with employers and even governments¹⁶, it became an impediment to progress. Apprentices and trainees are still regarded as workers *not* as students, business is frequently unhappy about providing training places¹⁷ and there are perennially difficult issues such as training wages. Regardless of the reforms that have been made, the state of the apprenticeship and traineeship system continues to bedevil both government and business in Australia.

The national training reform agenda did not sufficiently address the relationship between government, business and the community in regard to the training of skilled labour. Issues in relation to skilled labour that existed *before* the Agenda continue to exist. Indeed during periods of rapid economic growth such as during the late 1990s, the old problems have been exacerbated. Currently, there are concerns both about meeting the

¹⁴ The French education system, for instance, has full-time vocational high schools offering trade training.

¹⁵ Of course, as with nursing training, this would have presented a whole new set of problems such as ensuring that students receive sufficient practical experience – not to mention the cost of including a whole new cohort of students in the Youth Allowance!

¹⁶ The push for Australian Workplace Agreements by the current coalition government, for instance, led to an incomprehensible piece of legislation being passed in 1996 called the Wage Top-up Scheme. The Scheme was brought into being through the agitation of the Australian Democrats who were worried that the wages of apprentices might be reduced if their amount of training time was increased under an AWA. Apprentices are still covered by awards, however, so no AWAs have happened as yet (as of 1999).

¹⁷ governments only provide training places when they act as employers in their own right say, for instance, by offering traineeships in a state public service.

training needs of new industries, such as information technology and overcoming significant shortages in many of the traditional trades¹⁸.

Subsidies (now called incentives) to employers have largely proved ineffective in expanding the pool of skilled labour, despite political rhetoric to the contrary. It is interesting that the abolition of these subsidies was seriously considered by the minister of employment, education and training, John Dawkins, early in the Agenda's history, but the idea was abandoned apparently for political reasons. Other reasons for a 'lack of propensity to train' on the part of business include the impact of the business cycle and the shortened business horizon of most firms. More persistent, however, has been the enduring concept of voluntarism, the idea that business should be under no compulsion from governments to train¹⁹.

During the early years of the national training reform agenda, the federal government *did* take a strong position on increasing the business contribution to the national training effort. Its view was that the nature of business involvement in training was not so much deficient as non-existent²⁰. Industry surveys conducted before the introduction of the Training Guarantee Levy showed that a majority of firms invested very little of their profits in training their workers.

Under the Agenda, business was intended to make a greater contribution to training not only in the fiscal sense but also in developing what we now refer to as a 'training culture'. This happened in only a very partial sense. Nevertheless, the levy raised the profile of training at the level of the enterprise, and the suspension of the Training Guarantee Levy in 1994 was a setback for the federal government. Business was sufficiently powerful, combined perhaps with the impact of the then recession, to prevent the continuation of an experiment in compulsory training expenditure. More recent attempts by the Commonwealth to promote the idea of an 'industry-led' system of vocational education and training indicates not so much the success of the reforms as the continuing need to bring industry on board.

While the Agenda highlighted the importance of Australia having a highly skilled workforce and the necessary education and training to achieve this, it did not create a true 'training culture'. The reason for this lies in the difficulty of obtaining co-operation from a wide range of interested parties including business, state and territory governments, unions and educational institutions. This need to obtain co-operation meant that the Agenda was inherently difficult to implement.

¹⁸ The current minister of education, training and youth affairs, Dr Kemp, recognised the problems of skills shortages in the trades by setting up a small taskforce in his department in late 1999.

¹⁹ Recent calls from the Business Council of Australia for increased immigration to alleviate skills shortages rather than increase the levels of training indicate that long entrenched attitudes remain.

²⁰ The first real survey of employer expenditure on training was undertaken by the Australian Bureau of Statistics in 1989.

Education as such is not a constitutional responsibility of the Commonwealth. As a result the federal government's powers in this area are limited, and the area of technical education is particularly contested. For the Agenda to have had a more significant impact in terms of promoting cultural change either the federal government would have had to created its own system of vocational education and training or a more vigorous approach would have been needed in terms of building partnerships with business and industry. A federal 'takeover' of the TAFE system was briefly considered by John Dawkins, minister of employment, education and training, but the idea was thwarted by the realities of federal-state relations²¹. From the point of view of the federal government the creation of the Australian National Training Authority in 1994 was, at best, a compromise.

Entry level training and middle level skills

An unfortunate consequence of the Agenda's limitations was the federal government's continuing preoccupation with entry-level training. Early in the Agenda's history the more holistic vision of employment-related training envisaged by award restructuring was lost. Apprenticeships and traineeships became the primary focus of the federal government's interest. Part of the reason for this focus on entry-level training was the link with employment, especially youth unemployment. It was also partly a reflection of the federal government's adoption of an approach to training which was based on a linear hierarchy of skills and qualifications from entry-level through post-trade and para-professional to professional or higher education. The Agenda largely concentrated on the bottom end of this hierarchy with the higher education sector covering the top end. In effect, therefore, the hierarchy was segmented with a vague and poorly understood middle section.

Middle level or intermediate skills, despite their evident importance, proved hard to deal with. They were difficult to define and also raised questions of how developments in the workplace would drive their delivery²². Technician, post-trade and para-professional training were not historically provided in the same way that apprenticeship and traineeships had been. Training at these levels were given by TAFE colleges and by colleges of advanced education²³, before the Dawkins reforms of higher education. Despite a toe in the water approach to middle-level skills, the Agenda largely left this area untouched. Only the more recent development of training packages appears to be addressing the issue of progression from lower level vocational qualifications to intermediate qualifications.

²¹ The 'takeover' was considered before the Youth Summit of mid-1992.

²² ESFC, *Raising the Standard, Middle level skills in the Australian Workforce*, 1993, p2.

²³ That is, they were wholly 'off-the-job'.

A question of sectors

The national training reform agenda did reflect certain important shifts that took place in technical education during the 1980s. For instance, it encompassed a vision of the mobilisation of *skilled* labour in the name of the economy that could not possibly have been foreseen by earlier commentators. As higher education changed from an elite to a mass system, so the Agenda envisaged technical education moving from an elite of craft-based trade and technical workers to a much larger workforce holding recognised qualifications across the whole spectrum of industry. What it did not do was reconfigure the education system accordingly. Instead the institutional changes that did occur were partial, rather than complete, and Australia is still left with distinct educational sectors that do not necessarily work together. For example, the continued delineation between higher education and vocational education and training is an issue given that one operates on competency based principles for its qualifications and the other sector does not.

By the 1980s, the old institutional structures of technical education such as technical high schools, institutes of technology and specialist institutes were largely gone, aside from some remnants. TAFE colleges/institutes too, the mainstay of technical education between the school and higher education sector changed dramatically. While the Agenda was a direct response to Australia's economic circumstances, it was also closely linked with the federal government's decision to reform tertiary education to meet longer-term national objectives (the motive behind "The Clever Country" campaign).

There was significant pressure to modify the structure of tertiary education in Australia, the foundations of which had been laid in the 1960s and 1970s. Until the end of the binary divide between the older universities and the newer colleges of advanced education, a significant component of higher technical education was provided by bodies such as the central institutes of technology²⁴. It can be argued that the federal government's concept of vocational education and training was quite divisive because it excluded higher technical or technological education. This component of tertiary education evolved out of technical education *not* out of the universities and the end of the binary system meant that a distinctive sub-sector of technical education disappeared. Only a few dual sector institutions such as RMIT University survive and their position is ambiguous.

From the point of view of the national training reform agenda, the disengagement from educational institutions and the concentration on training located in the workplace has caused problems in terms of improving the status of middle and higher level technical education.

²⁴ Those institutes of technology located in the capital cities and which generally had long histories of their own.

Conclusion - Change versus continuity

Although the national training reform agenda instituted some radical new approaches such as the idea of a national system of qualifications and competency based training, the purpose of this new direction was as much to remedy pre-existing problems as to create something entirely new. Indeed one of the main difficulties faced by those promoting the Agenda was a number of old foundations were not effectively removed. The 'new' idea of vocational education and training did not completely replace the old notion of technical education. Rather a new structure was grafted onto the old and the result is a hybrid system with certain improvements and certain deficiencies. My view is that, on the one hand, the Agenda did not overcome some of the more difficult historical connections such as those between training and industrial relations but that on the other, some of the more positive legacies of technical education such as the pride of the craft and broader aspects of self-improvement have been lost.