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## **DEPARTMENT OF EDUCATION**

### **Improving the Delivery of VET in Schools**

#### **Discussion paper**

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# 1 Introduction

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In response to the findings and recommendations of the 2006 Inquiry into Vocational Education and Training, the Office of Learning and Teaching (OLT) within the Victorian Department of Education (DoE) commissioned Phillips KPA, in association with Peter Noonan Consulting, to provide advice to address a number of ongoing issues concerning VET in Schools. The Department particularly sought advice regarding: variations in VET in Schools provision; the alignment of provision with skills priority areas; the overall quality of provision; and the role of school based apprenticeships and traineeships (SBAs).

The consultant's advice makes a number of recommendations for reform in these areas. This advice has then formed the basis of the Victorian Learning and Employment Skills Commission's (VLESC) advice to the Minister for Skills, Education Services and Employment.

This discussion paper is the beginning of Stage Two of the project. It provides a summary of the key issues identified in Stage One and outlines a number of reform proposals for consultation with key internal and external stakeholders. The feedback received during the consultation process will be used to adjust the proposals, where required, with the aim of implementing the reforms in VET in Schools from 2008.

## 1.1 Background

The final report of the 2006 Inquiry into Vocational Education and Training included 14 specific recommendations for VET in Schools. The recommendations proposed action to investigate and address a broad range of issues related to quality, improving resourcing and improving vocational pathways.

The relevant recommendations related to VET in Schools are listed as follows:

### *Recommendation 16*

That the Department examines the reasons for variations in VET in Schools provision between Victorian regions and sectors, and between Victoria and other states, and develops strategies to address the low levels of provision in some regions.

### *Recommendation 19*

That the Department works with DEST to improve the alignment of structured workplace learning places with the industry area priorities established by VLESC.

### *Recommendation 21*

That the Department urgently reviews VET in Schools funding arrangements.

***Recommendation 22***

That the Department ensures that charges to students and parents for VET in Schools programs in priority industry areas do not discourage participation.

***Recommendation 23***

That the Department, through its funding and management systems, supports an increase in the range of VET options available in schools to better reflect students' aspirations and industry skills needs.

***Recommendation 24***

That the Department supports the use of high-intensity VET in Schools models that focus on high-priority industry areas, including investigating VET hub models and the use of VET specialist centres in schools.

***Recommendation 25***

That the Department, through its funding and management systems, supports appropriate access to industry standard VET facilities and work environments.

***Recommendation 27***

That VLESC reviews the operation of school-based new apprenticeships, including funding arrangements, and, if appropriate, provides further advice to the Victorian Government on ways of improving the model's effectiveness in promoting vocational pathways for young people, particularly in areas of skill shortage.

***Recommendation 28***

That the Department, together with relevant stakeholders, develops VET in Schools pathways into pre-apprenticeships and apprenticeships.

**1.1.1 Links with broader government objectives**

In addition to responding to the recommendations arising from the VET Inquiry, improving the delivery of VET in Schools is also expected to contribute to the Growing Victoria Together target of 90 per cent of young people completing Year 12 or equivalent by 2010 and decreasing the number of early leavers who are unemployed after six months by expanding curriculum options and pathways for young people.

**1.2 Stage two - Improving the delivery of VET in Schools**

Through the detailed analysis of data and a range of commissioned reports regarding VET in Schools, a set of findings has been established to pinpoint the key issues related to the current provision of VET in Schools. These issues and a corresponding case for change are listed in Section two of the discussion paper.

### **1.2.1 Consultations**

Section three of the discussion paper lists a set of proposals to address the identified issues and better position VET in Schools delivery into the future.

To determine the most effective means to implement the proposals and safeguard against unintended consequences, a broad based consultation process is being undertaken to 'reality test' and assess the proposals prior to final decisions being made. As such, the proposals are broadly framed at present, and a focus in the consultation process will be to develop more specific models, in particular in relation to resourcing models and planning and accountability arrangements.<sup>1</sup>

Section four of the discussion paper provides a set of questions to guide the stakeholder consultations which will be completed during April/May, 2007. Stakeholders are therefore encouraged to read and respond to the discussion paper and provide feedback through interaction with the project consultants.

To assist with understanding the potential impact of the proposed reforms, some broad based scenarios are included at Appendix two.

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<sup>1</sup> This modelling of financial impacts will take into account other changes to the Student Resource Package that may be introduced for 2008.

## **2 Issues to be addressed and the case for change**

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In Stage One of the project, the review of relevant literature and recent reports, combined with findings derived from targeted consultations and analysis of relevant VET in Schools data, revealed a number of issues which are consistent with those identified in the 2006 VET Inquiry Report.

In recognising there have been significant developments in VET in Schools provision in Victoria and nationally over the last decade, the focus now needs to centre on addressing inconsistencies in provision and variations in program quality. In particular, while VET in Schools and SBAs have grown in Victoria in recent years, a number of ongoing issues need to be addressed to improve the provision and delivery of VET in Schools in Victorian government schools.

The key issues are summarised as follows:

1. Compared to other states, Victoria has:
  - a. A substantially higher percentage of the total national hours (21 per cent) in contrast with Victoria's proportion of national enrolments (11 per cent), suggesting Victorian students are undertaking more intensive VET;
  - b. Significantly higher levels of provision in arts, culture and recreation and lower levels of provision in tourism and hospitality and business services, which are important areas of employment for young people; and
  - c. Together with other jurisdictions, low levels of provision in areas of state based VET priorities and skills shortages.
2. There are major variations in the pattern of provision across regions which cannot be explained by the industry and labour market characteristics of those regions.
3. There are significant variations in the level of VET in Schools provision. Many schools have relatively low levels of VET in Schools enrolments, which makes it difficult to provide choice and specialisation and highlight the need for partnerships between schools and other RTOs, in particular TAFE.
4. While there are a range of policies and guidelines which influence the provision of VET in Schools, there does not appear to be a succinct and integrated policy statement on VET in Schools, in particular outlining the objectives and priorities for VET in Schools.

5. There is limited planning for VET in Schools provision at the regional and statewide levels, with outcomes highly dependant on what schools are able to offer and/or purchase from other providers.
6. The new Technical Education Centres, Australian Technical Colleges and the introduction of the Youth Guarantee<sup>2</sup> are likely to result in increased provision in areas of high priority and skills shortages, including the traditional trades, for school aged students.
7. The provision of VET in Schools in high cost and specialised areas is inconsistent. In some instances, the cost of delivery is passed on directly to students and their families in the form of high fees and charges which are not commensurate with the fees and charges experienced by young people who are not at school but are enrolled in the same courses.
8. Increased specialisation in schools, school clusters and partnerships with TAFE and other RTOs are essential to address issues related to AQTF compliance and quality and to increase VET in Schools provision in high cost and specialised areas. Increased capital works allocation, recently announced by the Premier and the Minister, should assist schools to develop specialised VET facilities and support school clusters.
9. While there has been growth in SBAs in Victoria, growth and provision has been excessively focussed in the retail sector, with little provision in areas of VLESC priority or skills shortages.
10. More students involved in SBAs go on to university than to apprenticeships or traineeships at higher levels, suggesting that many students undertaking SBAs do so for reasons incidental to their intended learning and career pathways.
11. While there are several sources of funding available to support VET in Schools and SBAs, the absence of a coherent and integrated funding framework results in inconsistent levels of public funding for equivalent qualifications between schools, and between schools and TAFE and other providers of VET in Schools.
12. The current Departmental guidelines on programs which are free of tuition fees do not appear to encompass VET in Schools. As a consequence, schools may require students to pay fees and charges. This results in major inconsistencies in levels of fees and charges between schools, and between schools and TAFE, and schools and other providers, for equivalent qualifications. These anomalies may be further compounded by the introduction of the Youth Guarantee.

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<sup>2</sup> Introduced as part of the Education and Training Reform Act 2006. Please see Appendix three for details.

13. Despite the systemic weaknesses identified, the research also suggests that there are a number of examples of where schools are able to offer a wide range of VET in Schools programs within their core SRP funding, supplemented by VET in Schools funding, and also many examples where schools partner with TAFE or other providers for specific areas of VET in Schools provision.

## **2.1**     *The case for change*

A number of concurrent issues are apparent in the provision of education and training for students in the post compulsory years of schools in Victorian schools.

The Victorian Government has the established target that, by 2010, 90 per cent of young people will complete Year 12 or its equivalent. While the introduction of VET in the VCE, VCAL and SBAs have broadened pathway alternatives for young people still at school, the cost of some programs presents a barrier for some students. In other areas, VET in Schools programs are helping with student engagement but not necessarily giving optimum employment opportunities by not connecting with local labour markets.

The case for change therefore centres on a combination of maximising choice, achieving a better balance of provision particularly in areas of skills shortages and state priorities, removing costs as a barrier to participation and establishing better linkages to improve pathways into employment in areas of demand for young people with relevant skills. To achieve these outcomes, the multiple purposes of VET in Schools need to be acknowledged. At the same time, funding regimes need to be prioritised to ensure that VET for young people is delivered at the same cost irrespective of the institution in which they are enrolled, and providers of education and training for young people need to work more closely to make optimum use of training expertise, facilities and equipment.

## **3 Priorities and proposals for improvement**

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The priorities and proposals for improvement involve significant reforms to the current governance and funding arrangements for VET in Schools in Victoria. It is critical that these reforms be considered as a package and in the context of the impact of other policies, programs and initiatives. The proposals are grouped into six categories:

- Clarify objectives;
- Strengthen RTO/school partnerships and school clusters;
- Develop a new funding model;
- Strengthen planning and relationships at a regional level;
- Renewed focus on quality; and
- Re-focus School Based Apprenticeships.

The reform proposals have been developed as a considered response to the issues raised in relation to VET in Schools and SBAs in Victoria to ensure that provision occurs on a more balanced and sustainable basis than under current arrangements. The proposals recognise that, with the costs of some areas of provision and compliance requirements associated with VET in Schools delivery, schools cannot be expected to contribute to these outcomes on their own; cooperation between schools and with TAFE or other providers is required.

This is a particular challenge in Victoria's devolved government school and VET systems. In devolved systems, clarity of purpose across systems, consistent and transparent funding arrangements and strong planning and accountability frameworks are required.

### **3.1 Clarify objectives**

VET in Schools serves several related objectives. However, these objectives have not been formalised in government policy, nor reflected in funding guidelines and planning and accountability frameworks.

At a general level, VET in Schools is designed to equip young people with the skills, knowledge and capabilities required in the workforce generally. VET in Schools also provides general vocational experience and orientation, as well as opportunities for students to gain specialised skills for particular industries and occupations. Through participation in these programs, students develop greater career awareness which assists with determining future pathways. A concurrent objective has been to broaden the post-compulsory curriculum and provide opportunities for applied learning to better engage students and improve learning, participation and completion rates. Equally, the provision of VET in Schools is also viewed as a

retention strategy, sustaining interest and engagement in schooling for a cohort of students who might otherwise have left school.

Clarity of objectives for VET in Schools is an essential pre-requisite to improve both the level and distribution of VET in Schools. Once established, resourcing, planning and accountability frameworks may be realigned to enable the objectives to be achieved.

### ***Proposed objectives***

To provide the underpinnings for VET in Schools policy and an integrated funding plan and accountability framework, it is proposed that the following objectives for VET in Schools be formally agreed:

#### *Proposal One*

*It is proposed that:*

- *The general objective of VET in Schools is to assist young people's career awareness and general transition from school into the labour market by engaging them in the development of skills, knowledge and attributes required in the contemporary workplace as part of a senior secondary certificate.*
- *A specific objective for some VET in Schools programs is to assist young people's transitions into the labour market and further VET pathways by engaging them in the development of the required skills, knowledge and attributes for specific industries as part of a senior secondary certificate.*

The focus of programs under the first objective centres on helping students build personal attributes, such as those outlined in generic and employability skills frameworks, as well as specific competencies commonly used across a wide range of occupations and workplaces. The focus and outcomes from the second objective would centre on qualifications and competencies for particular occupations and industries, including pre-apprenticeship programs.

At the same time, the focus on the two streams of VET provision - general preparatory and specialised programs - does not diminish the role of VET in Schools as an engagement or career awareness strategy. Conceivably, student engagement and career awareness will remain as clear outcomes under both objectives.

Student motivations to participate in VET will not always align to the objectives outlined above. This should not detract from the importance of a general understanding of positioning VET in Schools to deliver broader skills development and careers awareness as well as providing programs which are specifically focused on specialised skills for the purpose of a more direct pathway into employment.

### **3.1.1 Prepare a comprehensive policy statement**

A review of relevant documentation reveals that there are a large number of policies and guidelines governing the operation of VET in Schools in Victoria, specifically

and indirectly. Some of these documents are public and some are internal, but there is no overarching public policy statement setting objectives, priorities, performance indicators, roles and accountabilities and funding mechanisms across the Department and in relation to schools, TAFE and other RTOs. Knowledge of these specific policies and guidelines, and their implications across the relevant areas of the Department, is not high and is likely to be even lower amongst external stakeholders.

#### *Proposal two*

*It is proposed that a comprehensive policy statement on VET in Schools specifically inclusive of VET provision within VCE and VCAL for senior secondary school age students is issued, to include:*

- *Objectives;*
- *Funding model;*
- *Planning and accountability;*
- *Integration of VET in Schools into VCE and VCAL; and*
- *Roles and responsibilities within the Department, school regions and between the schools, TAFE and other VET sector providers.*

### **3.2 *Strengthen RTO/School partnerships and school clusters***

Enhanced partnerships with TAFE (and with other RTOs) is the major strategy to address issues related to increased provision in priority and skills shortages areas; to address quality concerns and to put VET in Schools provision on a sustainable long-term basis.

In the context of the announcement by the Premier and the Minister to provide additional VET facilities in schools and to modernise trade equipment, it is clear that the government wishes to strengthen and increase provision of VET in government secondary schools.

One of the most effective ways to improve student retention centres on broadening provision options and pathways through cooperation between individual schools and between schools and other providers. Few schools have the resources or capacity to deliver a comprehensive range of academic and vocationally orientated courses. By working with other schools, such options can become a reality. To facilitate this outcome, a proportion of the DEST/DoE VET in Schools funding pool should be set aside to be allocated as seed funding to foster greater collaboration across providers. Equally, the school system as a whole does not have the range of facilities and specialised equipment evident in TAFE and some private RTOs. While

the introduction of Trade Wings<sup>3</sup> will partially address this issue, partnerships across providers, particularly between schools and TAFE, are the key to success in this area.

*Proposal three*

*It is proposed that the VET in Schools Policy Statement is supported by a set of clear strategic guidelines matched with funding, planning and accountability frameworks to:*

- *Encourage schools to specialise in areas of VET provision, particularly in areas relevant to local industry and labour markets;*
- *Build cooperation between schools through school clusters to enable students to access specialised areas of provision and equipment and facilities through the provision of seed funding; and*
- *Build partnerships between schools and TAFE and schools and other RTOs.*

### **3.3      *Develop a new funding model***

#### **3.3.1      Principles for a funding model**

The principles for a funding model flow logically from current government policies and priorities and the mechanisms to implement them. The funding model also needs to include principles governing equivalent provision in both TAFE and other participating providers and schools, and between school programs.

It is proposed that the following principles be agreed.

*Proposal four*

*The funding for VET within the VCE and VCAL for senior secondary age students should:*

- *Facilitate and support student choice in relation to VET units in the VCE and VCAL through equitable levels of public support and broadly consistent fees and charges between schools and between schools and TAFE and other providers for equivalent VET qualifications;*

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<sup>3</sup> As part of the Victorian Labour Party's Financial Statement 2006, there is a commitment of \$50 million to renew 'Tech Wings' in every government secondary school. The tech wing initiative provides \$35 million for new state of the art trade wings at 30 government secondary schools, and \$15 million for equipment grants of up to \$100,000 to all other government secondary schools to modernise existing trade classrooms. The purpose of the initiative is both to increase the quality of delivery by ensuring that students have access to industry standard training facilities and equipment and to increase the quantum of delivery in high priority industry areas. Criteria for the allocation of trade wings is still being confirmed.

- *Better target existing funding to areas of greatest priority and cost;*
- *Support specialisation of schools and cooperation between schools through the development of regional VET in Schools plans under Proposal seven; and*
- *Enhance partnerships between schools and RTOs and in particular TAFE.*

If the proposed objectives and funding principles are adopted, and closer working relationships between schools and TAFE are achieved, it will be necessary to also change the funding model. Specifically, the resourcing funding model will need to be modified to enable a more integrated and targeted approach in the use of funding allocated to VET in Schools.

### **3.3.2 Recurrent Funding**

#### *VET in Schools program categories*

VET in Schools funding needs to be more integrated with SRP funding and targeted to underpin growth in areas of specialisation and high cost and high priority and to more clearly differentiate between the twin purposes of VET in Schools (*Proposal one*).

To reflect this differentiation of purpose, it is proposed to group VET in Schools programs into two categories: *Category A* programs and *Category B* programs. *Category A* programs are relatively low cost programs that are generally, but not exclusively, aimed at general workforce preparation. *Category B* programs are more expensive programs offered in specialised areas, including those of government priority and skill shortages. There may be some relatively expensive programs that are not a high priority. These would not be assigned to Category B.

The SRP funding is designed to cover delivery costs for typical school programs. It is therefore proposed that *Category A* VET in Schools programs should not be regarded as additional but included within the mix of programs which schools typically offer. These programs are at the lower end of delivery cost, and generally within most schools' 'capacity' and 'capability' in terms of facilities and appropriately qualified staff. As a result, the funding for these programs should flow from within the SRP and therefore not require the injection of further resourcing.

*Category B* programs are generally more expensive, may not attract sufficient students to support viable classes, and may have staffing and facilities requirements which are difficult for individual schools to meet as a general rule. As such, and to increase VET in Schools provision in government priority and skills shortage areas, it is suggested that the delivery of these programs is supported by SRP funding and that the current VET in Schools funding allocation be directed to provide supplementary resources.

### *Proposal five*

*It is proposed that VET in Schools programs be separated into two categories set out on an indicative basis at Appendix one:*

*Category A programs - These programs are less resource intensive and should be able to be provided in most schools within the SRP consistent with the objectives of the SRP and the purpose of senior secondary certificates under the AQF. Typically but not exclusively, they are also aimed more at general preparation of young people to enter the workforce by acquiring transferable skills relevant to many industries and occupations, consistent with the general objective of VET in Schools. As such, it is envisaged that Category A provision will encompass VET in areas such as information and communications technology, business services and office administration, occupational health and safety requirements, general workplace orientation and industrial relations, rights and obligations.*

*Category B programs - These programs are in areas of high cost, where there are specialised equipment and HR requirements and workplace based assessment is also critical. These are also often areas of relatively low demand but high priority. They are also generally, but not exclusively, in areas where students are preparing for specific careers and vocational pathways. Programs in Category B would include non-SBA provision in trade related areas, including pre-apprenticeship programs such as building and construction, manufacturing, automotive, community services and health, transport and distribution and hospitality.*

### ***Funding available under the Youth Guarantee***

As discussed in *Proposal 3*, an enhanced partnership with TAFE is a key strategy to increase provision in high cost and specialised areas (*Category B* programs). Increased provision in these areas will result in an increase in cost, and it is likely that additional funding will be needed to support this. One option that could be considered is the extension of the funding associated with the Youth Guarantee to include school students undertaking *Category B* programs at TAFE<sup>4</sup> whilst remaining enrolled in school.

This arrangement would allow for the student to remain in school, but attract the funding associated with the Youth Guarantee to meet the cost of the *Category B* programs delivered in TAFE. Rather than the school purchasing VET in Schools delivery, under this arrangement, government funding would flow directly to the TAFE.

It is recognised that the current guidelines governing the Youth Guarantee exclude this option, however the outcomes associated with adopting this option and amending the guidelines (increased *Category B*) may be sufficient to warrant the change.

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<sup>4</sup> Participating ACE providers may also potentially offer Category B programs although it is expected that only a small number of larger ACE providers will be registered to deliver Category B programs.

A consequential issue is the extent to which there should be a reduction in the school SRP for a student enrolled at TAFE or a participating ACE provider under these arrangements. It may be argued that there is 'double dipping' involved - that is, the same student receives funding from two different funding sources. However, there is a precedent for this in the case of School Based Apprenticeships, which are funded through the normal apprenticeship funding arrangements, without any reduction in the school's SRP.<sup>5</sup>

#### *Proposal six*

*To implement the funding model, it is proposed that the Department should establish an integrated funding model for VET in Schools under which:*

- *Schools meet the costs of Category A VET in Schools programs from within the SRP;*
- *VET in Schools funding is targeted to provide increased levels of support to schools directly delivering or purchasing specialised and more expensive Category B qualifications;*
- *That VET in Schools funding for Category B programs be enrolment driven by agreement with the Department of Treasury and Finance;*
- *Funding available through TAFE/ACE under the Youth Guarantee is extended to allow government school students to undertake VCE and VCAL qualifications and units for Category B programs at TAFE and participating ACE providers on a standard cost basis; and*
- *Consideration is given to necessary adjustments to the SRP allocation where a school student is undertaking VET units at TAFE or with a participating ACE provider under the Youth Guarantee.*

### **3.3.3 Fees and charges**

Once a consistent framework for public funding for VET units in the VCE and VCAL is established, a consistent approach to fees and charges for students can also be developed as part of that framework.

Greater consistency in student fees policies is desirable both within schools and between schools and TAFE and participating ACE providers for VET subjects within VCE and VCAL. There also needs to be consistency in the fees and charges within schools across VET and the Key Learning Areas (KLAs) and between schools in terms of VET and KLA provision. In terms of VET provision, the current arrangement where fees for VET units are effectively deregulated in government schools but regulated in TAFE and ACE is not desirable in public policy terms and is likely to distort student and parental choices once the Youth Guarantee comes into effect.

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<sup>5</sup> Noting that there is no funding flowing to schools where students participate in an SBA which is not integrated within a school program.

*Proposal seven*

*Based on the principles listed in Proposal four, it is proposed that two options be considered:*

Option One

- *Consistent with the treatment of other VCE and VCAL units fully funded under the SRP, Category A VET subjects are tuition fee free in schools except for materials charges on the same basis as other VCE units; and*
- *VCE and VCAL students undertaking Category B VET subjects in either schools or TAFE and participating ACE providers pay a standard student fee as a contribution to the additional costs of delivery with consistent concessions and exemptions policies also to apply across the schools and TAFE/ACE sectors<sup>6</sup>.*

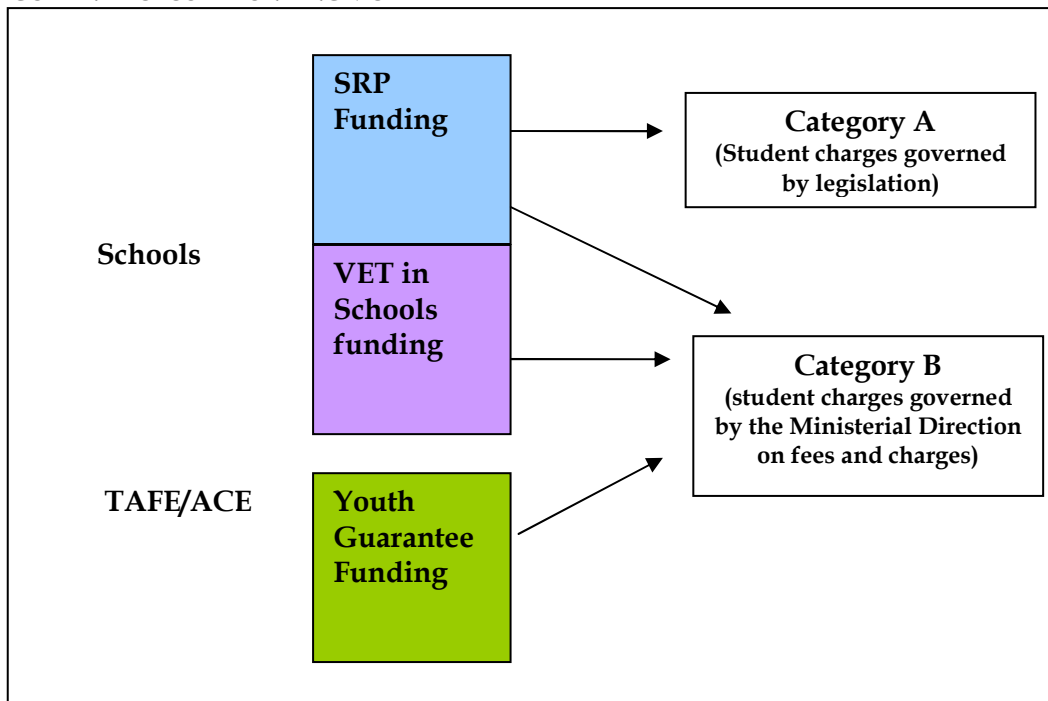
Option Two

- *Consistent with the principle of the Education and Training Reform Act 2006, tuition for VCE and VCAL for school age students be free of fees except for materials charges in both government schools and TAFE/ACE.*

**Funding sources for Category A and Category B programs**

The proposed model (shown below) illustrates the respective sources of funding and the instruments governing student charges.

**FIGURE 1: PROPOSED FUNDING MODEL**



<sup>6</sup> It is recognised that specific consideration will need to be given to measures to ensure that a consistent approach to concessions is established across the sectors as school students are not eligible to receive a health care card

### ***Parameters for a funding model***

The proposed funding model is at a general level at this stage, and it is recognised that it will require refinement and testing with a range of stakeholders. Through this process it will be particularly important to identify the incentives and disincentives which could potentially influence responses and behaviours by schools. In particular, it is recognised that the proposal to fully fund *Category A* programs out of the SRP could be a disincentive to some schools, particularly in areas where programs are already in decline. However, if VET in Schools offerings represents a genuine response to educational and labour market needs, offerings should only decline in areas where demand is low. It may be necessary to strengthen planning and accountability arrangements to ensure this outcome is achieved.

The further development of the funding model should be based on the following parameters:

- Developing an integrated 'price list' for purchasing *Category B* programs offered in schools taking into account the respective contributions of the SRP and VET in Schools funding;
- Developing a 'price list' for purchasing *Category B* programs offered by TAFE and participating ACE providers under partnership arrangements;
- Considering whether there are other factors relevant to cost and funding levels, for example rurality; and
- Ensuring that the resources available under the price lists did not distort school decisions.

### ***3.4 Strengthen planning and relationships at a regional level***

While changes to the funding arrangements will assist in prioritising VET in Schools provision, it is equally important that schools are supported in their planning for VET in Schools at a regional level. Specifically, while it is understood that school performance in relation to a range of indicators, including student transitions and destinations, features in relevant accountability arrangements, there is currently no mechanism for regional planning to formally contribute in these areas. Herein lies an opportunity to improve accountabilities at a school and regional level and better position VET in Schools provision against existing planning frameworks.

That is, based on the performance management relationship between regional directors and school principals and the priorities evident in the VLESC Planning Framework, each region should be expected to establish a regional VET in Schools plan with a view to:

- Enhancing *Category B* VET in Schools provision in high priority areas;
- Reducing provision in *Category B* VET in Schools in low priority areas; and

- Ensuring *Category A* provision is sufficient and delivered in suitable areas to respond to student demand for VET alternatives within and beyond the eight KLAs.

While the VLESC Planning Framework should be a key informant to the regional VET in Schools plan, insights sourced through LLENs will also add value to this process. This is due to contextual information which LLENs are in a position to provide based on their knowledge of the views and needs of local employers, combined with insights into prevailing labour markets and their working relationships with schools.

While this process clearly places an additional administrative burden on regions, it will however provide the ideal mechanism for the Department to more directly influence provision at the local level. In this respect, the finalisation of the regional VET in Schools plan will involve the allocation of resources to regions and negotiation between regions and schools to facilitate *Category B* provision in targeted areas.

#### *Proposal eight*

*Improve planning and accountability arrangements by:*

- *DoE acting more directly in influencing provision in Category B areas through:*
  - *Seed funding to support the development of clusters and closer working relationships with TAFE and other RTOs; and*
  - *DoE Regional Offices establishing regional VET in Schools plans based on the VLESC Planning Framework, performance dialogue and strategic planning interactions between school principals and Regional Directors;*
- *DoE Regions supporting delivery by:*
  - *Developing the regional VET in Schools plan;*
  - *Helping to negotiate purchasing arrangements between the school and DoE;*
  - *Helping to establish partnerships between schools and with TAFE and other providers;*
  - *Providing specialist support and advice to schools; and*
  - *Liaising with the LLEN.*

### **3.5 *Renewed focus on quality***

Through the implementation of Proposals 1 – 8, a significant improvement in the quality of VET in Schools should progressively occur, in particular by clarifying the purpose of VET in Schools, by establishing an integrated funding framework which focuses additional resources in areas of highest quality risk and by strengthening cooperation between schools and partnerships with TAFE and other providers. As highlighted above, the substantial injection of additional funding for VET

equipment and facilities should contribute to improved quality outcomes, but additional measures are needed for students and teachers.

#### *Proposal nine*

*To give greater impetus to high quality VET in Schools delivery it is proposed:*

- *To strategically re-focus and increase work placement to ensure that students obtain experience and can be assessed in workplace contexts relevant to their VET subjects, particularly in Category B subjects;*
- *That a more strategic approach to teacher professional development is adopted on a statewide and regional basis focusing on:*
  - *The requirements of new and revised VET qualifications and National Training Packages; and*
  - *Revised AQTF standards and outcomes measures; and*
- *That consideration should be given to Victoria, through the VRQA and the National Quality Council investigating the development of new, broadly based qualifications aimed at preparing young people for workforce entry and subsequent learning pathways including pre-apprenticeship programs.*

### **3.6 Re-focus School Based Apprenticeships**

School based apprenticeship and traineeships in Victoria operate under two broad models:

- An integrated model where the school based apprenticeship and traineeships are offered as part of the students' VCE or VCAL program and undertaken during the school day; and
- A non-integrated model in which a student is undertaking a part-time apprenticeship or traineeship outside of their school program, but with school endorsement and the consequent allocation of credit towards their VCE or VCAL.

As a result, SBAs in Victoria appear to serve multiple objectives: a means by which students can have their part-time work related experience recognised while contributing to a satisfactory completion of VCE/VCAL, as well as being counted for the purpose of calculation of the ENTER score; as a means of increasing skills levels in industry; and, in some instances, as a means of subsidising part-time youth employment in some industries.

However, it is not clear why some of these objectives need to be supported through the regulated training system under a contract of training where the student's part-time work is incidental to their other studies and likely post school educational and labour market pathways. For example, it is a legitimate objective to develop a framework under which students can have learning from their part-time work experience recognised as part of general preparation for the workforce. The Queensland Studies Authority is developing a proposal to that end as part of the

new Queensland Certificate of Education, but such recognition does not require a regulated training pathway.

Expansion of SBAs into priority areas will not occur without other reforms, including more flexible timetabling in schools, development of stronger relationships with industry, assistance with travel costs and guidance and assistance for schools.

*Proposal ten*

*Proposed objective for School Based Apprenticeships*

*SBAs should be implemented as a fully integrated learning and career pathway, particularly under the specific VET in Schools objective, but also to assist in general workforce preparation.*

*Proposal eleven*

*Consistent with the objective for SBAs listed in Proposal ten, the proposed model for the future provision of SBAs is to:*

- *Remove the administrative burden to schools of registering SBAs where the apprenticeship or traineeship does not form part of a program integrated within the student's chosen VCE\VCAL units;*
- *Enter into discussions with peak industry bodies and unions to develop industry sponsored SBA models;*
- *Enter into discussions with Group Training Organisations and Australian Apprenticeship Centres to identify:*
  - *barriers in their experience to provision of SBAs; and*
  - *strategies to address barriers in which they may play a role;*
- *Develop and publicise best practice models and guidelines in SBA provision for schools; and*
- *Consider a small payment to schools to cover the coordination, marketing and administrative costs of SBAs in areas such as negotiation and development of training plans, marketing and liaison with employers and Australian Apprenticeship Centres and student support.*

It is recognised that, in the short term, reported levels of SBA activity in Victoria may decline through the implementation of this proposal, but this decline will be almost entirely evident in the retail sector where the pathway appears to be used for purposes other than entry to long-term careers in the industry. This pathway will still be available if full time senior secondary school students continue to be eligible for part-time traineeships. As demonstrated by the success of the approach adopted in Queensland, there is no reason why an operation of the integrated model for SBAs cannot produce higher numbers, higher completions, better distribution across industries and occupations and higher transitions into those industries and occupations.

## **4 Consultation questions**

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### **4.1 *General questions***

1. Are the identified issues consistent with your experience of VET in Schools in Victoria?
2. Of the identified issues, which are the most important for the Department of Education to address? What are the priorities for funding?
3. What aspects of the reform proposals will most contribute to improving the provision and delivery of VET in Schools programs?
4. Will any of the reform proposals have unintended outcomes:
  - For the system as a whole?
  - Or your specific organisation?
5. Will the resourcing arrangements lead to a closer alignment with industry skills needs, particularly in your local area, and strengthen partnerships between schools and TAFE?
6. Are there additional issues or challenges regarding VET in Schools provision and delivery or SBAs which are not covered in the reform proposals? What are the key contributing factors to these issues and challenges? How should the issues and challenges be addressed?

### **4.2 *Specific issues***

1. Does the categorisation of VET programs reflect the varied purposes of VET in Schools? Does the reconfiguration of the existing pool of resources achieve an appropriate balance between these varied purposes?
2. What are potential benefits and disadvantages of the proposals to establish Category 'A' and Category 'B' VET in Schools programs, and does the preliminary categorisation of programs reflect the relative cost structures of these programs?
3. Will the resourcing model enable schools to remove the fee barriers to participating in specialised VET courses? Will it encourage increased provision in these areas?
4. Will the implementation of the proposals concerning the Youth Guarantee encourage greater partnerships between schools, TAFE and approved ACE providers?

5. What barriers currently exist to increasing SBAs? What will be the impact of the proposed reforms to SBAs? Are there other strategies which should be considered to overcoming the identified barriers to SBAs?
6. Does the VLESC Planning Framework assist with more closely aligning VET in Schools provision with local labour markets and identified training priorities?
7. Will the reforms improve the overall quality of VET in Schools? If so, in what ways will this occur? If not, are there other proposals for reform which should be considered?

## Appendices

### *Appendix one - Categorisation of VET in Schools programs*

CATEGORY A	
Industry	Certificate enrolments*
Arts, Entertainment, Sport and Recreation	7,275
Community Services Health and Education**	1,840#
Finance, Banking and Insurance	0
Sales and Personal Services***	7,414
Tourism and Hospitality****	6,855
Business and Clerical	4,755
Computing	2,992
General Education and Training	4,868
<b>Total</b>	<b>35,999</b>

CATEGORY B	
Industry	Certificate enrolments*
Automotive	2,595
Building and Construction	2,430
Food Processing	39
Textiles, Clothing & Footwear and Furnishings	1,641
Communications	81
Engineering and Mining	599
Primary Industry	2,092
Process Manufacturing	42
Transport and Storage	37
Utilities	677
Science, Technical and Other	1,221
<b>Total</b>	<b>11,454</b>

\* All school sectors and SBAs and Certificate 1 courses – currently not funded

\*\* Includes Community Services which would be allocated to Category B

\*\*\* Includes Hairdressing which would be allocated to Category B

\*\*\*\* Includes Commercial Cookery which would be allocated to Category B

Source: MCEETYA (2005) *VET in Schools Data: VET in Schools enrolments by industry category and State/Territory* (page 16)

## Appendix two - Impact scenarios

Current arrangements	Alternative arrangements in response to the reforms
<p>School 'X.' A large metropolitan Secondary College. Delivers some VET in the VCE in Hospitality, Business Admin, Music and IT through auspice and purchase arrangements. Student charges for VET subjects range from \$300 - \$800 per year.</p>	<ul style="list-style-type: none"> <li>• Some rationalisation of VET offering</li> <li>• Category A VET subjects offered free from fees as per other VCE subjects (exclusive of materials charges)</li> <li>• Specialised VET offered at through fee for service from TAFE. Program funded by a mix of VET in Schools funding (for school programs auspiced through TAFE) and Youth Guarantee funding where students are enrolled directly with TAFE.</li> </ul>
<p>School 'Y.' Mid range Secondary College with an enrolment of 750 students – Runs a large range of VET programs through both VET in VCE and VCAL. Endeavours to maximise student choice but experiences ongoing difficulties in balancing choice with small numbers in some high cost (trade related) courses. VET fees range from \$150 - \$1,200 per year.</p>	<ul style="list-style-type: none"> <li>• School continues to offer a broad range of programs.</li> <li>• Cost of VET program covered through a combination of: <ul style="list-style-type: none"> <li>○ SRP for general VET courses (Category 'A')</li> <li>○ Youth Guarantee where students are enrolled with TAFE or a participating ACE provider for specific VET courses</li> <li>○ VET in Schools funding for school based Category 'B' courses.</li> </ul> </li> <li>• Works with neighbouring schools TAFE and a private RTO to establish an integrated VET program economies of scale achieved through: <ul style="list-style-type: none"> <li>○ Larger classes (based on enrolments from more than one school)</li> <li>○ Rationalisation of some specialist programs to link more closely with local labour markets</li> </ul> </li> </ul>
<p>School 'Z'. Small regional/rural SC – Enrolment of 520 students. Offers VET in VCE and VCAL. Has restructured over the last few years to maximise VET offerings. Students are charged a nominal fee for materials (\$50 - \$100 pa). A major issue for the school centres on cost and availability of transport for VET, particularly in relation to Structured Workplace Learning.</p>	<ul style="list-style-type: none"> <li>• Continues to offer a broad range of VET</li> <li>• Works with LLEN, Local Government and Regional Office to identify transport solutions</li> <li>• Clusters with other schools in the local area to improve economies of scale in VET provision</li> </ul>

## ***Appendix three – Frequently Asked Questions regarding the Youth Guarantee***

### ***What is the Youth Guarantee?***

The *Education and Training Reform Act 2006* provides a guaranteed place in TAFE Institutions, the Centre for Adult Education, Adult Multicultural Education Services and participating adult community education providers to young people who have not completed Year 12 or its equivalent.

### ***Why has the Government included a guaranteed place in the Education and Training Reform Act 2006?***

The guarantee is a key element of the Government's commitment to deliver quality education and training to all young people now and well into the future. Victoria is the first Australian State or Territory to make this commitment in legislation.

### ***Who is eligible?***

Under the legislation, a person is eligible for a guaranteed place if he or she is under the age of 20 years on 1 January of the year in which the training takes place and has not completed Year 12 or equivalent.

### ***What does Year 12 or equivalent include?***

Year 12 or equivalent includes the Victorian Certificate of Education (VCE), the Victorian Certificate of Applied Learning (VCAL) at Intermediate level or higher, International Baccalaureate Diploma program or vocational education and training qualifications at Certificate II level or higher.

### ***What is guaranteed?***

Education providers are required to offer a place to eligible young people in a timely manner as a matter of priority. Young people will be able to access all the courses available to other students at the particular provider. Education providers will work to place young people in courses that will meet their needs and are consistent with government training priorities.

Subject to entry requirements, young people will be able to enrol in courses at any level of the Australian Qualifications Framework, including the VCE and VCAL.

### ***Does the guaranteed place apply to VET in schools students?***

The guarantee applies to young people who have left school early. There is no change under the new *Education and Training Reform Act 2006* to current VET in schools arrangements for students who stay at school.

*Why does the guaranteed place only apply to students aged 20 or younger?*

During public consultations when the new Act was being developed, there was strong support for a guaranteed place for young people wanting to complete their secondary qualifications in a non-school setting, such as a TAFE Institute. The guarantee will ensure that there are sufficient places available for these students.

*Do students undertaking the Youth Guarantee have to pay fees?*

Student fees and charges will apply in TAFE Institutes and public training providers. Students on low incomes will be eligible for the exemptions or concessions that are currently available.

In 2005, a new fees and charges policy for government funded vocational education and training was introduced. The policy expanded the number of students eligible for concession fees, by granting concessions to all Health Care Card and Pensioner Card holders.