



The Implementation of the Victorian Certificate of Applied Learning: -An Employers Perspective

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Abstract

The Victorian government has introduced a new senior school qualification, the Victorian Certificate of Applied Learning (VCAL). VCAL is available at the end of the compulsory years of schooling, and comprises three award levels Foundation, Intermediate and Senior each designed to have a progression of skills, knowledge and attitudinal development whilst appealing to student's interest and knowledge. VCAL was implemented into 20 schools in Victoria during 2001, with an evaluation in 2002 supporting state-wide implementation in 2003. VCAL has followed VET in VCE by including a significant component of Work Related and Industry Specific Skills, thereby making a strong connection to the labour market, signalling a further slide towards vocationalising senior school qualifications. The ability of employer groups to cope with the demand of another on the job training certificate appears an extraneous debate in the introduction of such courses. Therefore, this paper examines the labour market trends in the four shires of North East Victoria, in particular reviewing current and predicted skill shortages, and support by business and industry for the implementation of VCAL in light of existing post compulsory school trends.

Focus of the Study

This study was undertaken on behalf of the North East Local Learning and Employment Network and had three main focus areas. These were

1. the implications for young people, that is those in the 15 to 19 year old age bracket, enrolling in the Victorian Certificate of Applied Learning (VCAL)
2. investigating and describing the current and future characteristics of the labour market in this area; and,
3. to identify ways in which VCAL could be implemented across the four shires in North East Victoria.

This paper reports on part of the findings from this study, specifically the second focus area. Labour market characteristics in North East Victoria are examined, with particular attention paid to current and predicted skill shortages and the implications and support by employers for the introduction of this new post compulsory school certificate.

The Regional Area of North East Victoria

The North East area of Victoria comprises four shires Alpine, Indigo, Towong and Wodonga in a locality approximately 300 kilometres north east of Melbourne. It is a region that has a strong stake in its agricultural and forestry industries, with a diverse range of commercial industries along with recreation and tourism contributing to the areas economy. It is one regional area that has made relatively significant gains from the shifting nature of the Australian and world economy. Economic indicators from this region support an area that is succeeding in terms of economic growth. Since 1992/93 private sector investment has averaged approximately \$250 million per

annum (Investment Albury Wodonga, 2000). Projected population indicators have also predicted that the area is set to be the fastest growing region in Victoria over the next 20 years (Victorian Department of Infrastructure, 2000), however this prediction is premised on the continual presence of large government agencies such as the defence force and the taxation office.

Changes to the Australian Labour Market

Technological advancements and the impact of globalisation are driving the type of workforce now required in Australia. Advanced degrees of educational attainment and high levels of skills are desirable attributes not only for those in work but are required by those entering the labour market. In the past, there have been periods when low unemployment rates mirrored a job market that provided work for people with a range of educational qualifications, including those with a basic qualification. Sectors such as agriculture and manufacturing supplied the majority of unskilled labours with some form of employment, but over the past several decades the demand for unskilled workers has been declining (NCVER, 2002). Employers are now seeking a workforce that has acquired some level of post secondary school qualification, as well as obtaining a range of generic skills such as 'communication skills, problem solving skills, teamworking skills, ITC skills and innovation skills' (NCVER 2002).

The changing nature of the labour market is reflected in the changing industry structure in Victoria. The once thriving agriculture and manufacturing sectors have been gradually shedding workers from the industry. Between 1996 and 2000 the number of workers employed in agriculture dropped from 4.7 per cent to 4 per cent and in manufacturing the rate has dropped from 17.3 per cent to 15.8 per cent. However, during the same period the Victorian workforce increased in the property and business sectors from 9.9 to 11.4 per cent; health and community rose from 8.8 to 9.6 per cent; culture and recreation increased from 2 to 2.5 per cent; personal and other services increased from 3.5 to 3.9 per cent; finance and insurance increased from 3.8 to 4 per cent; and government administration and defence increased from 3.4 to 3.7 per cent (NCVER 2002).

According to Shah, C., Long, M., Burke, G., Fisher, J. (2002) the Australian, and Victorian job market, will grow at approximately 1.2 per cent over the next three years. The largest growth rate, which will account for approximately 60 per cent of job growth during this time, will be in occupations that will fall into the professional and intermediate clerical, sales and service workers sectors.

Skill Shortages in Victoria

The Department of Employment and Workplace Relations (2002) has identified several areas of employment in Victoria in the trades, professional and information technology sectors where skill shortages currently exist. Within the trades sector skill shortages occur in the following areas; metal trades, jobs such as fitters and machinists, toolmakers and sheetmetal workers; the vehicle trades jobs such as motor mechanics, auto electricians, panel beater and vehicle painter; in the electrical trades jobs such as refrigeration and airconditioning mechanics; in the food trades jobs such as chefs and cooks as well as shortages in hairdresser and furniture upholsterers. In the professional sectors skill shortages occur in positions such as child care, a range of nursing positions as well as other health specialists and a shortage in a range of secondary teacher positions. In the Information and Communication Technology

fields several positions face skill shortages. These include areas such as general application development/software engineering, positions in multimedia, communications jobs such as satellite design and e-commerce.

Research Approach

In order to determine the skill shortages in North East Victoria, and the likely support for VCAL by industries across the four shires, business representatives from each of the identified shires were randomly selected and invited to participate in a telephone interview. Due to the geographical spread and likely time restraints on businesses, telephone interviews were chosen as the most efficient and effective method of collecting the data required for this study. Further to this, time in travel was reduced and businesses that were hard to locate due to the nature of their work could be accessed.

Representatives from industry and business were randomly drawn from the Albury-Wodonga Industrial and Commercial Register. Other business representatives not in the Albury-Wodonga Industrial and Commercial Register were randomly selected from the Telstra Yellow Pages directories, N14Y and V07Y. From the random selection, 47 business people were contacted, of which 32 participated in a telephone interview. 8 calls had no response and 7 phone calls had no follow-up due to the work commitments of the business people. The random selection of businesses provided a selection of business and industry from across a range of industry fields, which have been categorised using the Australian and New Zealand Standard Industrial Classification, as defined by the Australian Bureau of Statistics. These have been illustrated in Table 1.

Table 1: Categories of Business Interviews

Australian and New Zealand Standard Industrial Classification	Number of Business Represented Interviewed
Agriculture, Forestry, Fishing	2
Mining	0
Manufacturing	8
Electricity, Gas and Water	0
Construction	5
Wholesale Trade	5
Retail Trade	5
Accommodation, Restaurants	2
Cafes	
Transport and Storage	0
Communication Services	0
Finance and Insurance	0
Property and Business Services	1
Government	0
Education	0
Health and Community Services	3
Cultural and Recreation	0
Personal and Other Services	1
TOTAL	32

Most of the 32 business representatives in the sample group were contacted twice. The first time was to make initial contact, gain permission for participation and explain the purpose of the interviews. Most of the representatives had no knowledge of VCAL therefore a brief overview of the aims and structure of this certificate was faxed to them and a convenient time was arranged for them to be re-contacted. In some cases the follow-up calls took place outside of work hours, after 5.00 pm, or as in one case on the weekend, due to work constraints of the business representatives.

The business and industry representatives surveyed were from predominately small to medium businesses as determined by the number of employees. Most of the businesses contacted employed either 10-19 or 20-50 staff.

Results of the Interviews with Business and Industry Representatives

Skill Shortages in the North East Region

The survey questions for each of the business and industry representatives were divided into three parts. Part 1 involved examining skill shortages and factors attributing to these shortages and strategies currently being implemented to address the shortages. Part 2 explored the existing relationship between business personal and local education or employment institutions and part 3 related to VCAL and the role business and industry may play in assisting education providers meet the Work Related and Industry Specific Skills component of this certificate.

The skill shortage documented by The Department of Employment and Workplace Relations (2002) is reflected in the data obtained by from business representatives in the North East area of Victoria. Most of the businesses represented interviewed (26) indicated that they experienced difficulties in employing skilled staff. This situation was most common in the manufacturing, building and construction, wholesale and retail trades, agriculture, accommodation, cafes and restaurant sectors. The main types of jobs indicated by business representatives that were difficult to fill due to skill shortages were trades people such as electricians and auto electricians, carpenters, motor mechanics, painters and plasters. Supervisors and team leaders were also cited and in the hospitality sector a shortage of chefs was noted. In the health sectors nurses, especially those with Division 1 qualifications were in short supply, and a shortage of qualified employees to work in the aged care and child care sectors was also indicated by employers. Half (16) of the representatives from the business surveyed indicated that the shortage of skilled workers would, in their opinion, still exist in three years time as noted by a representative from the building and construction sector 'trades will be a gold mine in the future with the shortage of good tradesmen/women'.

The business representatives indicated that there were several reasons for the shortage of skilled workers in the various sectors. In the trades it was due to a lack of apprenticeship opportunities. Other factors mentioned affecting the trades was the image of the profession as indicated by a representative from the construction sector 'when I have visited schools to ask for interested lads we have been told by the principal that kids don't see it as a glamorous enough job'. Salaries rates were also cited by some representatives as a reason for skill shortages in the area. In regional centres wages tend to be lower than in city as expressed by a representative from the manufacturing sector 'people can get more money in the cities, for example \$70 000.00 compared to \$40 000.00 in regional locations'. Other business representatives

spoke about competition from large companies in the area who can pay higher salaries and therefore attract employees from their businesses.

However (15) business representatives indicated that the shortage of skilled employees was prevalent in both rural and city locations as acknowledged by a representative from the building and construction sector 'there is a shortage in all trades in the building area regional and urban'. Some of the representatives implied that rurality did however compound the problem.

Existing Relationship/s Between Businesses and Educational Institutions

With changes to post compulsory education over the past several years moves to provide work experience and 'on the job' training for many young people as been an increasing emphasis placed on those in the work sectors. It would seem, that a strong partnership has developed between business and educational providers. Most of the business representatives interviewed (22) indicated that they had an existing partnership with an educational provider such as a school or TAFE institute and that the partnership was working well as indicated by a representative from the accommodation, cafes and restaurant sectors 'the current program works well. School's doing a good job, students have a positive attitude and good knowledge base'. All (22) industry representatives indicated that apart from some minor concerns they would be happy to continue their relationship with educational institutes in relation to work experience programs with young people as indicated by a representative from the manufacturing sector 'yes, most definitely if a program was in place. Will always give a young fella a chance'.

VCAL and the Role of Business

In general most of the business representatives were supportive of the concept of VCAL as indicated by a representative from the retail sector 'yes, wonderful idea, gives an attractive edge to learning, fantastic, great benefits'. However, it was also acknowledged by a representative from industry that a lot more work would be needed if VCAL is to get off the ground in the north east region. In particular the quality of information being given to industry needs improving as indicated 'probably the only thing I am very conscious of is that industry really needs to buy into this and that there will need to be a lot of work done by education departments and the rest, because I don't think that industry has actually twigged that hey, you have been volunteered to be part of this'.

Most of the industry representatives interviewed (24) indicated that VCAL would assist business in training young people to enter the workforce. For example, a representative from the manufacturing sector indicated that 'we are always looking for future employees, this is a form of recruitment' or as pointed out by a representative from the retail sector 'across all areas not just our own. We have an obligation to help young ones, like we were helped'. Some (10) of the industry representatives indicated that they would need to check out aspects of work cover, insurance, public liability and occupational health and safety. Other (6) representatives indicated that their business would not be able to participate in any work component of this certificate because of safety issues associated with the business.

Conclusion

The North East area of Victoria is a region that is prospering in terms of economic indicators and the population is expected to grow based on current predicated indicators. It appears that from the data collected from this study that there are issues surrounding the availability of employing skilled and qualified workers, a situation that is reflected across the state. All sectors of the trades, hospitality and the professional areas are experiencing difficulties, a situation it seems that will not alter in the next three years.

Despite an apparent lack of consultation with employees in the North East area of Victoria regarding the introduction of another vocational qualification in Victoria at the post compulsory school level, business and industry representatives across the four shires are supportive of VCAL and see possible benefits in assisting young people to gain qualifications that will aide their entry into the workforce. It could be possible that this type of qualification may go some way towards alleviating the shortage of skilled employees required in the region.

However, if VCAL is to have a smooth transition into this part of regional Victoria then greater communication, consultation and information dissemination with employers and industry bodies will need to guide the implementation phase. While there is certainly support for the concept of VCAL the reality of full implementation with support from employers will need far more attention than has currently been expelled.

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