

## **“TRADE DIPLOMAS”**

### **What is the Trade Diploma?**

It is a concept designed to:

- (i) provide an alternative or supplementary training model to existing apprenticeship programs.
- (ii) offer Australia’s youth a similar educational pathway to that which is currently available to international students.
- (iii) provide an educational framework which would provide a qualification for participants to enter both managerial/professional as well as skilled tradespersons’ positions.
- (iv) ensure that Australia’s skilled training system is equal to or compares with best international practice.
- (v) increase the chances of apprentices going onto further study.
- (vi) reduce the training time for apprentices.
- (vii) reduce attrition rate for apprentices.

### **Why was the concept developed?**

The concept has been developed to address a number of issues:

- (i) It has been well reported that Australia has a skills shortage. The AI Group report that over the next five years 175,000 workers are expected to leave traditional trades and only 70,000 are expected to enter. The Trade Diploma is designed to make skills training more attractive and to boost apprenticeship numbers.
- (ii) Student apprenticeship numbers are healthy but apprenticeship is dogged by poor completion rates (as high as 50% in some areas) and they are showing any signs of improving. The Trade Diploma may assist in improving completion rates.

- (iii) Access to apprenticeship is controlled by employment or indenture. This can be a limiting factor in relation to students wanting access to skills training. The Trade Diploma does not rely on indenture or a contract of training.
- (iv) Existing apprenticeship programs are focused primarily on the development of skills for the workplace. Little attention is given to the development of the individual in the context of personal development, further education and career aspirations. The Trade Diploma addresses these issues.

### **The Trade Diploma and Australia's Labour Market Needs**

For Australia to meet its labour market needs, three complementary strategies are being undertaken:

- (i) Increase the intake of skilled migrants or new entrants to Australia.
- (ii) Improve the skill levels of new entrants to the labour market.
- (iii) Enhance the skills of those in the workforce – through continuing education.

In relation to skills migration, the Australian Government offers permanent residency to international students who complete their studies in certain skilled occupational areas.

For example, a student who completes 2 years of Certificate/Diploma study:

**Whilst studying, and prior to applying for Skills Assessment by TRA**, student should complete 900 hours work experience in a relevant and directly related occupation. N.B. If necessary, student is able to apply to TRA for skills assessment whilst working towards the 900 hours (Bridging Visa).

Within 6 months of completion of studies, student applies for Graduate Skilled Temporary 484 Visa – valid for up to 18 months. Student must have applied to TRA for Skills Assessment to be eligible for 485 Visa and provide IELTS evidence.

Student completes 12 months paid employment, closely related to the nominated occupation for a minimum of 20 hours a week for 12 months.

Additional points can be obtained by student obtaining employment in a regional area including Adelaide (5 points), studying in Australia (5 points) and by having a letter which offers the student employment at the end of a course (5 points).

Once a student has completed a course of study and approved work experience they are able to make application to Trade Recognition Australia for the issue of trade qualifications.

## **The Trade Diploma Explained**

The “Trade Diploma” is based upon the scheme that is available to and currently being used by employers, for international students. That is with one exception. In the model proposed a summative assessment for Certificate III qualification is introduced at the end of the two year program. This is designed to reinforce and to ensure that an individual’s work experience adds to their competencies. This arrangement makes the assessment of the skill level of the individual and the relevance of the work place experience far more rigorous than with existing apprenticeship training.

## **How Does the Trade Diploma” Work?**

The Trade Diploma is best illustrated by example. The example is for a Carpenter and Joiner who over two years will have completed the Certificate II and III and IV requirements and will undertake 900 hours of work placement. In most other industries other than the Building industry and some Engineering courses, a student will complete Certificate II, III and Diploma requirements in two years as well as obtain 900 hours of approved work experience as well as undertake a trade accreditation test.

## **Example – Year 1 – Carpentry Trade Diploma**

Off the Job Training (Cert II)	-	16 wks x 40 hrs = 640 hours
On the Job Training	-	16 wks x 40 hrs = 640 hours
Off the Job Training (Cert III)	-	8 wks x 40 hrs = 320 hours (completed Cert III Off the Job requirements)
Total Year 1	=	1600 hours over 40 weeks

## Year 2

Off the Job Training	-	34 wks x 20 hrs = 600 hrs (completion Cert IV Off the Job requirements)
On the Job Training	-	8 wks x 40 hrs = 320 hrs
Total Year 2	=	1000 hours over 42 weeks

Total Years 1 and 2 = 2600 hours (excluding T.A.T.)

In this configuration the student at the end of Year 1 will have completed all of the academic requirements for a Certificate III. They will still have to complete approved work experience. At the end of Year 2, they will have to undertake a Trade Accreditation Test (say 80 hours maximum).

In the example given a student would be better qualified and as well skilled as an existing apprentice because they would have completed a trade accreditation test and undertaken more intensive off the job training than currently is available.

The example given assumes that an equivalent full time course of study for two years is available to students and that such a course would involve Certificate II and Certificate III and Certificate IV. In most other fields or areas of study the pathways between Certificate III and Diploma studies is more integrated than in the Building industry and so after two years a student has both the Trade Certificate and the Diploma.

## Attractions of the Scheme

The scheme has a number of attractions. These include:

- (i) The students would be closely monitored by the TAFE Institution and/or a sponsoring employer. Arguably closer monitoring and a reduction in exposure to poor treatment on the job, a major cause of apprenticeship attrition would be minimized.
- (ii) It lessens reliance on long term employment contracts (4 years) to provide a steady flow of skilled workers.
- (iii) Trade Accreditation Tests could be standardized across Australia and then used for assessing the skills of migrants so that it adds to Australia's quest for skilled workers.

- (iv) It enhances trade training and vocational education. One reason why trade training is not the first choice of parents for their children is because when it comes to making an education decision at say Year 10, apprenticeships are not seen as a positive educational choice. The widely held perception is that greater long term employment opportunities and status accrue to University/tertiary educated individuals. This scheme facilitates access to higher education as well as skilled trade status. Wider opportunities immediately and in the future become available to the vocational education student.
- (v) It modernizes apprentice training. The current apprenticeship system was designed in another age – when there were large government or semi-government organizations that had a social charter – part of which was to train apprentices and to ensure breadth and quality in On the Job Training. With privatization and specialization the relationship with Off the Job Training and On the Job Training is more ambiguous than ever before. This scheme focuses on broadening the training program for apprentices – but reducing time served.
- (vi) The existing apprenticeship scheme is too long. We have already seen that an international student can satisfy Australian Immigration requirements for skilled trades’ people in two years. In other advanced countries it is less onerous than Australia. Even within Australia, the existing apprenticeship arrangement on a comparative basis is out of kilter with other occupations. For example, If we compare the Off the Job and On the Job training of a Nurse with a Carpenter –

<b>Nursing (La Trobe University)</b>	<b>Carpenter (Victoria)</b>
900 hrs Theory (Off the Job)	960 hrs (Off the Job)
900 hrs On the Job Training	6339 hrs (On the Job)
1800 hours Total	7297 hours total

the length of an apprenticeship seems excessive.

From a student’s perspective, the advantages are:

- (i) they could access skills training without having to obtain an indenture.
- (ii) By undertaking Certificate IV or a Diploma it means they are well positioned to move into managerial and professional positions which are the fastest and growing area of employment in Australia.

- (iii) By organizing the program in advance and introducing trade testing, a student would have a clear idea of their Off the Job as well as On the Job commitments – thus eliminating the current practice of students not being released by employers to attend block or day release training.
- (iv) They could undertake their trade test whenever they wanted to and in the event of failure could re-sit. Under the current apprenticeship system no such opportunity is readily available and time serving dominates the system.

From an employer's perspective, the advantages are:

- (a) they are not locked into long term employment arrangements. The scheme is ideally suited to group training arrangements.
- (b) They could have access to highly skilled workers in about 1/3 of the time of the current system.
- (c) They would have a clear idea of when students were available and from where.
- (d) They have confidence through trade testing of the skill levels of completing students.
- (e) The On the Job component and employer's responsibilities could be better aligned with off the job learning.

## **Issues**

There are of course a number of issues that need to be considered. These include:

1. Ideally, courses would be reconstructed to provide better links between various Australian qualifications framework levels.
2. Employers may not want skilled trades people quickly. Apprentices are seen by some as a source of cheap labour and not as trainees.
3. Employer's incentive payments may be reduced.
4. The existing apprenticeship system has been in place for a number of years and some would argue an industrial arrangement rather than a training/education scheme.
5. Payments for apprentices may have to be reconfigured.

6. Employer associations, e.g. AIG are resistant to the concept for various obvious reasons. An AIG Executive in rejecting the concept labelled it as a “provider driven model” (whatever that means). Such attitudes reflect how resistant associations have to change. They frequently adopt a subjective rather than an objective approach to reform and it possibly reflects why Australia is making little progress in improving the number of skilled workers.
7. Trade Accreditation Tests would have to be developed and the costs of implementing such a scheme determined. This is not as big an issue as some would wish to make it to be because the Federal government is demanding practical assessment for potential skilled migrants to Australia so Trade Accreditation Tests will have to be developed.

## **Conclusion**

All of the issues that have been raised reflect to a large extent the neglect that apprenticeship training – our key means of obtaining a skilled workforce suffers from. Whilst governments have handed out millions of dollars to various organizations for a range of obscure studies in workforce planning, little has been done in relation to the apprenticeship system, our primary skilled training system. We have little knowledge in Australia as to what attracts students to skilled training, why retention rates appear to be so poor, where do apprentices go if they drop out, why employers take on apprentices, what would enhance the status of skilled training in the eyes of the community – what detracts from it and so on.

Australia’s current training system for apprentices is not meeting the individual’s needs or the country’s manpower needs. There is no reason why two parallel systems could not operate. Maintaining the current training system has failed to meet our needs. There is no good reason not to try the “Trade Diploma” model – it is already being implemented with great success with international students. It would be enlightening to run some pilot “Trade Diploma” programs and compare their outcomes against the existing scheme. TAFE Directors Australia (TDA) believes that the “Trade Diploma” would prove to be a highly effective alternative to what which currently exists.