

**Productivity Commission Review of the National Agreement
for Skills and Workforce Development
Queensland Water Directorate Response to the Interim Report
July 2020**

Background

The water industry continues to face shortages in a number of key skill areas, particularly operational roles in water and wastewater treatment. There are a number of factors that appear to contribute to this, many of which cannot be resolved by changes to the VET system and these are explored in our [original submission to this review, provided in December 2019](#).

The Queensland Water Directorate (*qldwater*) welcomes the opportunity to comment on the Productivity Commission's Interim Report and provides the following additional information in response to the options explored and information requests that relate to issues experienced by the water industry. Any queries in relation to this or our previous submission should be directed to the CEO, Dave Cameron on dcameron@qldwater.com.au or phone 07 3632 6854.

Impacts of COVID-19

The COVID-19 pandemic has forced providers of the National Water Training Package (NWP) to adopt innovative training delivery methods and we have witnessed a sharp increase in the use of virtual classrooms and online tutorials. These are welcome alternative delivery methods for an industry which is highly dispersed across regional and remote parts of Queensland. Reliable internet and digital literacy however are inhibitors to the potential success of alternative training delivery methods in some locations and ongoing effort to deal with these barriers will be required. The Water Services Association of Australia has advocated strongly to the National COVID-19 Coordination Commission to consider a range of related mechanisms.

Interim Recommendation 2.2 – A New Principles-Based Agreement

We support the recommendation to adopt a principles-based approach to the design of the VET system in order to give governments flexibility in their policy choices and provide mechanism to respond to emerging industry needs. We would support an agreement that is focused on delivering the best possible outcomes for consumers by providing flexible training options that deliver to industry needs for all career stages and aspirations. In addition to providing clear information and pathways for new entrants to the job market, the VET system needs to better support the changing nature of work by providing employers with straightforward options for up-skilling and re-skilling their employees; improved options for development of micro-credentials and skill sets is critical. An ongoing commitment to equitable access and efficient pricing and delivery is also important

Interim Recommendation 6.3 – Improving Investment in Public Provision

In response to the request for information about the role of competition in the VET market, please refer to our original submission where we have noted that competition is critical for the water industry to ensure a quality offering in regional and remote areas and to respond to increasing demand for qualifications. It is highly unlikely that one RTO would be positioned to meet the increasing demands for training across Queensland and recent indications from employers suggest that their requirements for accredited training are increasing. Whilst it has been suggested that some jurisdictions favour public providers over other RTOs, our experience with the state training authority has been one of trying to foster a quality-based system which is agnostic as to who owns the RTO.

The role of both public and private providers is important to ensure a variety of delivery options are available, and in the case of the public provider, is essential to ensuring water industry training is affordable for all students. However, cost is not the sole focus for employers and there are a number of employers in the water industry that prioritise effective training delivery methods and quality of trainers over cost of delivery. We support the recommendations relating to improving investment in the public provider by governments and that payments should comply with competitive neutrality principles and that the ongoing efficiency and effectiveness of those investments should be assessed.

Interim Recommendation 7.1 – Training Package Development

The rapid rate of advancement of technology in the water industry presents challenges for the NWP and VET system. Typically, a new proprietary technology will be implemented with vendor training. This is particularly common with infrastructure monitoring tools. Over time, processes are copied and the market broadens, and eventually it becomes a generic requirement of many utilities. However, by the time it's clear that that has happened there will then be a two to three-year delay in having a new unit of competency developed and incorporated into a training package.

With this in mind, we support the recommendation for the COAG Skills Council to delegate power to Industry Reference Committees to commission updates to training packages where there is an industry-agreed change to work standards or a new technology and to approve straightforward, non-controversial or minor changes to training packages.

There are also restrictions in some streams within the National Water Training Package that require a trainee to be employed on a water or wastewater treatment plant to be able to complete a qualification. Alternative arrangements to deal with the practical elements of those components of the training package to allow other learners to participate in water and wastewater treatment training may assist with attraction to the industry and there needs to be options for the industry to address these barriers.

Interim Recommendation 7.3 – Improving the Provision of VET Information

We support the assertion that information about VET options for students is still fragmented and duplicated across multiple government and private sector websites. We would agree that students need

better information about in-demand careers and salaries as well as the courses, pricing and training delivery methods offered by training providers for specific careers.

The question of what needs to be done to ensure school students have appropriate career information and advice is a challenge that the water industry struggles to address. The water industry is working to improve the career information available to potential students but will need to rely on existing communication channels to share these messages. Our original submission reinforces the need for structured, close engagement between industry and the education sector to ensure up to date labour market information is available to students and parents for the many and varied VET pathways. The establishment of the National Careers Institute is a step in the right direction towards having a one-stop shop for industry to provide career advice to students, career advisors, teachers. There is a need to remove the multiple career sites created and promoted by multiple levels of government, which invariably cannot all be kept up to date leading to confusion and uncertainty for students.

We agree with the recommendation for the National Careers Institute to extend its work on information provision to fill significant information gaps in course prices, subsidies and RTO quality, and test that information is salient to students, trusted, used and interpreted correctly and for Australian, State and Territory governments to work together to establish the Institute as a central information hub. Careers in the water industry are currently not well described in existing government career sites and we welcome the opportunity to work with the Institute to fill information gaps.

Options 6.1, 6.2 and 6.3 – Funding and Pricing Reform for Course Subsidies

In response to the recommendations/options proposed in relation to course and employer subsidies, we agree in principle with the notion of exploring options for greater national funding consistency and coherence but note that the success of funding programs in Queensland has been the result of strong engagement by the state training authority with industry and with sufficient flexibility to respond to emerging needs for specific programs.

Consideration of how subsidies are paid to RTOs needs to be in context of who is paying for training where there are out of pocket costs. For the water industry, most training is paid for by employers rather than trainees so a student voucher system would be likely to lead to increased administration. The current system of paying subsidies directly to RTOs appears to work in most cases for the water industry. Any changes to the subsidy system should ensure there are no additional administrative burdens placed on employers or trainees as well as RTOs, as this would likely be passed on to consumers in the form of higher training costs.

The remote nature of much of Queensland's water and wastewater infrastructure and the limited number of job roles can make water industry operations training expensive and places additional demands on an already thin RTO market. Over a number of years, *qldwater* has worked closely with employers and RTOs to establish regional training hubs that bring together trainees from across a number of local councils to ensure minimum training numbers can be met, thereby reducing the individual costs to employers. Consideration of incentives or additional subsidies for regional-scale collaboration for skilling and training would likely continue to drive similar collaborative efforts.

Options 7.1, 7.2 and 7.3 – Traineeship Incentives

We have often heard employers state that they are not aware of the various incentives available for recruitment of trainees and this is potentially a barrier to greater uptake of traineeships. Publicly available and clearer information on all available incentives published in one central point would also be of benefit.

The recommendation to task the Australian Apprenticeship Support Network to assist employers with their eligibility for incentives in addition to course subsidy eligibility for learners would appear to be a good solution, in addition to streamlining the incentives available across all jurisdictions and levels of government. It is worth noting we have occasionally been provided with examples of inconsistency in the application of subsidy eligibility requirements across different AASNs which should be addressed if there is to be an expansion of their role. The providers of the various subsidies and incentives should also be required to publish clearer eligibility policies and any details of how these may be interpreted so that employers can be confident all AASNs are consistently applying the eligibility requirements.

The water industry struggles particularly to attract and retain staff in regional and remote areas. Our original submission suggests there needs to be some form of incentive for local young people to remain in their hometowns and take up traineeships. This would certainly be of benefit to water industry employers who struggle to attract new entrants but who are successful in retaining staff where they have had the opportunity to train them early in their careers. We would welcome consideration of regionally based employer incentives as part of any redesign of the VET system.

Conclusion

qldwater welcomes the ongoing efforts of all levels of government to improve the quality of VET sector outcomes and provide accessible and affordable skills and training across all jurisdictions. It is critical that industry continues to partner with governments in the design and delivery of the system to ensure training outcomes are of a high standard and meet current and future employer needs. We look forward to future opportunities to contribute to the review process on behalf of the Queensland urban water industry.