

## **NSW UE ITAB submission to the Skills and Workforce Development Agreement Review**

The Hon Josh Frydenberg MP, Treasurer has requested the Productivity Commission to undertake a review of the National Agreement for Skills and Workforce Development (NASWD), pursuant to Parts 2 and 4 of the Productivity Commission Act 1998.

In undertaking a review of the National Agreement for Skills and Workforce Development (NASWD), the Productivity Commission has invited public submissions, and in doing so released an issues paper (November 2019) to guide those interested in preparing their submissions. Initial submissions are scheduled to close Friday 20 December 2019. Following feedback, the Productivity Commission is expected to subsequently release, on 31 March 2020, an interim report.

The NASWD's objectives are to ensure the vocational education and training (VET) system delivers a productive and highly skilled workforce; enables all working age Australians to develop the skills and qualifications needed to participate effectively in the labour market and contribute to Australia's economic future; and supports increased rates of workforce participation.

In the context of the VET system, the review will consider:

1. achievement of the objectives, outcomes, performance indicators, targets, reform directions and roles and responsibilities set out in the NASWD and their ongoing suitability
2. options for governments to coordinate and streamline their support for vocational education in the future
3. options for nationally consistent government funding and pricing arrangements that maximise efficiency, transparency and the supply of trained workers for the economy and promote consistency of incentives
4. options to promote consistency in funding and loan arrangements between the VET and higher education sectors, and on any cross sector impacts that there might be
5. options to ensure government investment in VET encourages increased participation in training by all Australians and is commensurate with the outcomes and benefits derived by individuals, business, industry, the local and national economy and society more generally
6. potential for future funding arrangements to achieve further targeted reforms, including extending Language, Literacy, Numeracy and Digital Literacy (LLND) programs to all Australians and other relevant recommendations from the Expert Review of Australia's Vocational Education and Training System (the Joyce review)<sup>1</sup>
7. options for improved performance indicators, data and information sharing arrangements to enable all governments to assess the effectiveness of VET investment and delivery.

The following pages represent the New South Wales Utilities and Electrotechnology Industry Training Advisory Body's (NSW UE ITAB's) submission to the review process.

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<sup>1</sup> The Honourable Steven Joyce, Strengthening Skills Expert Review of Australia's Vocational Education and Training System, 2019, [www.pmc.gov.au/sites/default/files/publications/strengthening-skills-independent-review-australia-vets\\_1.pdf](http://www.pmc.gov.au/sites/default/files/publications/strengthening-skills-independent-review-australia-vets_1.pdf)

## Introduction

The NSW Utilities and Electrotechnology (UE) Industry Training and Advisory Body (NSW UE ITAB) is a not-for-profit skill, training, workforce development and careers advisory body. It is led by an Industry Board, and formally recognised by NSW government as an independent voice on Vocational Education and Training (VET) matters. The ITAB gathers and facilitates information sharing, and as well, provides advice to relevant stakeholders on industry and government related VET matters.

The NSW UE ITAB supports joint government led reforms that look to facilitate opportunities to prioritise and elevate development of the ‘the skills of the Australian people’. To remain competitive and assure Australia’s future participation in the global economy, Australia more than ever needs to explore new, creative and innovative approaches to improving the productivity and the skills base of the Australian workforce. It must look to enable all working age Australians to pursue careers in recognised priority occupations/fields of work by participating in the concomitant development of knowledge, skills and competence (codified and recognised through national qualifications and/or skill sets), needed to enhance Australia’s economic prospects and future.

Australian governments can lead and support this agenda by identifying labour market priorities deploying five-year plans, to enable and advance Australia’s workforce competitiveness; establishing strategically important occupational/fields of work<sup>2</sup> targets; codifying their requisite knowledge, skills and competence requirements for determining funding allocations; coordinating activities and bodies that promote and facilitate recruitment by employers of potential candidates; and initiating underpinning and contributory funding expenditures and incentives to competent registered bodies with the wherewithal to develop, assess and certify the recruited candidates performing the work. Further, overseeing the approach by quality assuring all aspects to ensure quality outcomes, leading to improved worker productivity and value for money return on taxpayers’ investment.

These outcomes can be readily achieved through philosophical commitment to the approach outlined above, by simply enhancing existing qualitative VET structures and arrangements. A needed ingredient is to improve and strengthen quality assurance arrangements and establish agreed national minimum base funding allocations or pricing/purchasing arrangements (that takes into account the minimum estimated cost of delivery excluding fees and subsidies – raw cost) for each codified and approved priority occupation/field of work outcome. This base pricing mechanism could then be augmented, supplemented or discounted for example in the case of fees or subsidies, under an agreed bi-lateral or multi-lateral COAG fiscal formulae agreement that recognises natural or distinct difference between respective states, territories, regional and/or local community requirements and aspirations.

To achieve the above outcomes there must be an in principal intergovernmental agreement to fully deregulate the training delivery market across states and territories, buttressed by augmented government funding of competent registered delivery bodies, for ‘in demand’ priority declared occupations/fields of work in regional and local communities with evinced thin markets.

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<sup>2</sup> Feld of work – a vocation, job, part-job, specialist task, narrow highly skilled work activity or similar

In the context of the scope of the Commission work, it has been asked to investigate the following matters with a view to improving the performance of the VET system:

1. Options for coordinating and streamlining governments' support for the VET system
2. Options for nationally consistent funding and pricing arrangements
3. Options for promoting consistency in funding and loan arrangements between VET and higher education
4. Options to ensure that government investment in VET encourages increased participation in training, and is commensurate with the outcomes and benefits derived by beneficiaries
5. The potential for funding arrangements to achieve further targeted reforms, such as extending foundational learning programs and other recommendations made by the Strengthening Skills: Expert Review of Australia's Vocational Education and Training System (the Joyce Review) (Joyce 2019)
6. Options to improve performance reporting, data and information sharing to assess the effectiveness of VET investment and delivery.

## NSW UE ITAB to the scope of the Commission's work

In response to these matters, the NSW UE ITAB offers the following:

### 1. Options for coordinating and streamlining governments' support for the VET system:

The current national VET system is an international best practice model that is in need of urgent quality assurance attention and return to its basic philosophy. Its principal is predicated on a 'user choice' arrangement where the purchaser, typically an employer or a combination of employer and government, choose the product and the provider under a standards-based quality assured arrangement. That is:

1. **National industry product (industry based national training package) that is formally endorsed and recognised by government and relevant industry** – aligned to a recognised Australian Standard Classification of Occupation (ASCO) occupation or field of work outcome, expressed and codified into educational performance-based specifications (known as units of competency). That is, units of competency that describe work functions and detail the minimum standard of work performance including underpinning knowledge and transferable skills, a candidate is required demonstrate in the workplace. On evidence of demonstration of competence and being deemed competent, the candidate is issued formal certification in the form of a national qualification or skill set transcript that corresponds with the occupation or field of work.
2. **The competent delivery body, a Registered Training Organisation (RTO)** - that is, quality assured and approved to deliver and assess candidates against units of competency contained in relevant national qualifications or skill sets completion rules, and included in their scope of registration.

3. **Establishment of an agreed intergovernmental purchasing mechanism setting the national minimum price for purchasing a national qualification/skill set product for prioritised occupations/fields of work** – improving prospects for supporting and enhancing consistency, economies of scale and efficiency opportunities for RTOs operating beyond one jurisdiction. Augmenting the minimum national purchasing price to reflect and take account of state, territory, regional and local community variables.
  
4. **Adequate and transparent quality assurance mechanisms to monitor, evaluate and correct failures in the system** – to ensure the system worked as intended and effect system changes when it does not.

The simplicity of managing this system, which was once recognised internationally as best practice, has been complicated by a lack of vision, leadership and inexcusable actions to address and rectify key weaknesses and bad practices in the existing VET system. That is, effecting adequate, qualitative and competent quality assurance measures against each of the points listed above (points 1 - 4). Indeed, it could be asserted that in relation to point 4 above, little has been done to ensure system consolidation, evaluation or identifying a coherent strategic vision for the nation, and then ensuring measures were taken to effect the required changes to help the system work. Rather, a series of continual and endless reviews and inquiries leading to little accountability or action to correct failures has ensued. The decline of VET funding over the past ten years, evinced in the Joyce Review 2019, when there is an urgent need to upskill the nation evinces the failure of vision and enterprise by those in charge of the system.

If these weaknesses had been addressed in a timely fashion in the interests of the country and aimed at strategically boosting the skills and productivity of the workforce, with haste and urgency Australia would be assured of an improved competitive advantage and a more robust economy over that of its neighbours. Alas, the training coterie has emasculated the agenda. Rather than focus on the effecting the urgency of a national strategic vision to prioritise and upskill the competency of the workforce to enhance its international competitiveness, it resorts to matters of managing and administering training supply options and not future demand.

There appears to be a strong effort by those now in power, to emasculate the advantages, strengths, and importance of inculcating the implementation and advancement of a demand driven training system based on a 'user choice' paradigm. It seems there is a desire to return to the 'good old days', the 'golden years', when training organisations dictated what customers needed and their operatives should be trained in. We see, a more recent and evolving explosion in the number of newly accredited state courses in some state jurisdictions that has the effect of undermining the national VET 'user choice' paradigm in the belief that the good old days will once again return. Such dreams are a fallacy. They will never return. A cursory evaluation and analysis of any international trends in relation to the future of VET, evinces huge changes occurring in the pace and way work is organised and re-organised in organisations, and how constantly evolving technology is hastily impacting on humans such that training providers unless embedded in real workplaces are most likely, in the future, to be relegated to delivering nothing more than 'low-end, high-volume, sausage courses'.

The advantageous of the ‘user choice’ model outlined earlier are that if implemented and appropriately quality assured as intended, it would evolve and be readily transformable into a demand driven training system morphing over time towards training providers delivering embedded, real time workplace learning and assessment, to employees. The test will be whether Australia and its leaders have the vision to resist the training elites’ desire to return the VET system to a supply driven training system and with gusto, push ahead with transforming it towards a demand driven training system. The proof will be borne out over time, as to whether there was the metal and the intestinal fortitude to drive this agenda or not. Australia’s future economy depends on it. It will only succeed in if the later was fully achieved.

To augment this paper, the NSW Utilities and Electrotechnology ITAB made a similar submission to the consultation papers published by the Department of Employment, Skills, Small and Family Business in relation to the National Skills Commission and Skills Organisations (SO) co-design. The submission is appended to this submission and is included as **Attachment 1 – NSW UE ITAB submission to the SO design consultation** and elaborates in more detail the issues outlined above, forming an augmented part of our submission.

**2. Options for nationally consistent funding and pricing arrangements:**

Refer Point 1 above and Attachment 1 – NSW UE ITAB submission to the SO design consultation for more detailed information, as submitted to the recent allied consultation papers published by the Department of Employment, Skills, Small and Family Business.

**3. Options for promoting consistency in funding and loan arrangements between VET and higher education:**

Refer Point 1 above and Attachment 1 – NSW UE ITAB submission to the SO design consultation for more detailed information, as submitted to the recent allied consultation papers published by the Department of Employment, Skills, Small and Family Business.

**4. Options to ensure that government investment in VET encourages increased participation in training, and is commensurate with the outcomes and benefits derived by beneficiaries:**

Refer Point 1 above and Attachment 1 – NSW UE ITAB submission to the SO design consultation for more detailed information, as submitted to the recent allied consultation papers published by the Department of Employment, Skills, Small and Family Business.

**5. The potential for funding arrangements to achieve further targeted reforms, such as extending foundational learning programs and other recommendations made by the Strengthening Skills: Expert Review of Australia’s Vocational Education and Training System (the Joyce Review) (Joyce 2019):**

Refer Point 1 above and Attachment 1 – NSW UE ITAB submission to the SO design consultation for more detailed information, as submitted to the recent allied consultation papers published by the Department of Employment, Skills, Small and Family Business.

## 6. Options to improve performance reporting, data and information sharing to assess the effectiveness of VET investment and delivery:

Refer Point 1 above and Attachment 1 – NSW UE ITAB submission to the SO design consultation for more detailed information, as submitted to the recent allied consultation papers published by the Department of Employment, Skills, Small and Family Business.

## Summary

In summary, the enhanced VET system should be based on the following seven key pillars:

1. Identifying the five-year labour market needs and priorities agenda for Australia;
2. Establishing targets of strategic priority occupations/fields of work;
3. Approving the requisite knowledge, skills and competence requirements for each prioritised occupations/fields of work codified through standards of performance required in work and expressed in national qualifications and skill sets;
4. Coordinating bodies to promote and facilitate (including incentives) recruitment by employers of potential candidates against the approved priority national qualifications and skill sets;
5. Approving competent registered bodies to develop, assess and certify recruited candidates in performing their work against the approved national qualifications and skill sets;
6. Purchasing services from (using the agreed raw cost funding method augmented by differential requirements for each state/territory) approved competent registered delivery bodies under contract, and where necessitated complemented by incentives and/or subsidies in demand occupations/fields of work with think markets, to deliver the national qualifications and skill sets;
7. Quality assuring and evaluating the:
  - 7.1. process and qualitative nature of confirming priority occupations/fields of work,
  - 7.2. development and quality of the standards of performance and national qualifications/skill sets,
  - 7.3. effectiveness of recruitment coordination and facilitation bodies,
  - 7.4. performance and quality of competent registered delivery bodies of their delivery and quality of candidates; and
  - 7.5. adequacy and relevance of the raw cost funding method to improving the quality and productivity of the Australian workforce across the nation.

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# NSW Utilities and Electrotechnology ITAB submission to the Skills Organisations co-design consultation<sup>1</sup>

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## Challenges with existing arrangements

### 1. What do you see as the key challenges for the national training system in terms of responsiveness, relevance and promoting quality in relation to

#### 1 (a) Industry leadership

Industry leadership and commitment to the philosophy and principles of the system and ability to explain and get buy-in, of such, to grassroots VET leaders and practitioners, is non-existent. Many grassroots VET leaders and practitioners who are responsible for the day to day delivery of learning and assessment have little understanding or information conveyed to them of the merits or purpose of the VET Reform Agenda, let alone the current state of play in terms of the VET system's philosophy, principles, structures, processes and/or intended arrangements. They have been unable to comprehend or come to terms with how the VET Reform agenda directly impacts on them. They are unaware of the intention and benefits the national Training Package model can bring to the VET market. Preferring rather to mimic leaders like TAFE Directors Australia and others who unintentionally or intentionally resort to blaming products, such as Training Packages as being a major factor inhibiting nimbleness and improvements in delivery of VET to meet market needs.

It would seem, that the once held belief of building a world class VET system, based on the philosophy and underlying principles of shifting the VET market to a demand driven system rather than a supply driven system has been forgotten. Training Packages (the product) and RTOs (the delivery agency) working in a free (user choice) market were pivotal and the critical pillars, to driving towards a demand driven VET market. Instead because of funding mismanagement to RTOs, we have become entirely focused back on training and student matters at the expense of quality VET outcomes, whilst at the same time witnessing a diminishing and disastrous decline in VET funding (refer Joyce report) as compared to university funding – who is responsible for this failure?

In relation to promotion of VET, there is much too much information on the web, across countless government related websites and government social media sites that would take a mathematical genius to navigate the myriad of initiatives, advice, reviews, processes and standards all laced with the same or multiplicity similar information, that would permit one to find the actual and authoritative information required. Whether it is the Department of Employment, Skills, Small and Family Business, ASIC, ASQA and soon to be National Careers, Institute, National Skills Commission, SSOs (piloting 2 industry sectors), training.gov or a plethora of state-territory government-based or linked electronic mediums, there is utter reams of duplication and multiplicity of information across

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<sup>1</sup> Welcome to the Skills Organisations Discussion paper co-design consultation:

[https://employment.au1.qualtrics.com/jfe/form/SV\\_bK35Kj8sJnijjDL](https://employment.au1.qualtrics.com/jfe/form/SV_bK35Kj8sJnijjDL) (Any questions should be directed to [SkillsOrganisations@employment.gov.au](mailto:SkillsOrganisations@employment.gov.au))



a plethora of sites. All with almost same information leading many that this writer has spoken to, to confirm it leads to downright confusion and frustration. Small variant differences exist across these platforms and few people in these agencies when contacted can articulate the correct and authoritative one.

- Where are the ambassadors promoting the philosophy and principles underpinning the desired architecture of the VET system to VET leaders and practitioners?
- Where are the technically competent personnel with deep knowledge and understanding of the mechanics of the system that are able and capable of presenting and articulating information to VET leaders and practitioners and motivate support?
- Where is the data and rational logic other than a singular report to support the Reform Agenda – many of the Joyce report proposals are exemplary and needed, but others are naïve given our system of government or simply wish lists that have not been tested in the market or Australian context?

E.g. how is it, that no mention is made of the potential impact of permitting an increasing number of state-based accredited courses to be included as part of the national system, which by and large have cherry-picked units of competency from Training Packages, and simply added one or two units of competency and passing them off as somehow different than a national product – they are not a national products!!! Why are increasing numbers of state-based accredited courses permitted to intensify as a common acceptable practice?

Are state-based accredited courses funded by the commonwealth – if so why?

If not, why are states drawing down nationally copyrighted products to import into their systems and then pass them off as national? Is this not inverse to the whole objective of a national system of portable qualifications. Simply, put confusion reigns as to what the system is supposed to be focused on and achieve, and what is relationship is to the workplace and contribution to improving Australia's skills base.

How do these simple examples fit the COAG agenda?

- Moreover, government agency personnel/associated consultants commissioned to promote and facilitate forums or workshops often evince a limited understanding or little knowledge of the history (philosophy and principles of the evolving system) or detailed content expertise of national components (e.g. Training Package content specifications or RTO standards). They flounder when asked relevant questions.
- There's many a virtuous people advancing how good the Australian VET system is, but few looking under the bonnet as to the mess and defragmented system it has become to users such as VET leaders and practitioners, employers and other stakeholders. There is no one speaking or advocating with one voice for one great system.
- An observed and experienced learner of the system would conclude there is a paucity of credible and competent leaders with the leadership qualities, and deep knowledge of the desired system's philosophy and principles, to entice and gain the confidence of the broad VET community to get strong buy-in to the agenda. This in turn builds confusion and resentment towards good changes that are proposed.
- Good leadership is essential as is a comprehensive and clear vision of what VET is about in terms of its relationship with workforce development. It should not be about training and training jargon.
- Also, there should be better focused information with reduced and controlled multiplicity of sites attempting to convey the same information over and over for the same outcomes.



## 1 (b) Training package development

Training Packages are a poor title (anyone with a little knowledge of the specification for such would acknowledge). The title continues to render confusion with many a training leader or practitioner, or for that matter related stakeholders. But there is a long and tortuous path to their existences that should be remembered which seems to have been lost in the transition to new government agencies and people therein. Probably, retitling would help but given political landscape may prove difficult. Training Packages are not about training they are the minimum required performance standards of a person performing competently in work, cobbled together to form national qualifications or skill sets. Units of competency, qualifications and assessment guidance form the key pillars of nationally endorsed outcomes. They have a close relationship if used as intended, to enhance and drive workforce development opportunities to improve Australia's economic productivity. They can be used as tools to measure performance and national productivity. This does not appear to be well understood by the those currently managing endorsement and usage.

There are few professionals and experts with the capability and competence to convey their meaning and implementation practices. A quick discussion with VET leaders and VET practitioners, some RTOs and/or their trainers and assessors who, even though they may have obtained TAE16, shows a fundamental misunderstanding exists of the history and purpose of Training Packages. Training Packages have multipurpose uses.

Training Packages are an essential tool to transiting the current VET system to a “demand driven” VET market. That is, where the employer chooses the qualification or skill set and then chooses the provider who can deliver it (RTO). They can be used by employers and the national for recruitment, reskilling and retention initiatives. Of all the literature now produced by Department of Employment, Skills, Small and Family Business, ASIC, ASQA little of this meaning, particularly the later, exists or is described. Moreover, it is clear that the new class of SSOs too, have not grasped this philosophy and underlying principles. Very few of the new SSOs have any corporate history or corporate knowledge to advance this agenda.

Hence, there is a lot of confusion about the origins and purpose of Training Packages. It is further complicated by the opportunity for some players to utilise accredited course as an alternative pathway via ASQA to bypass and purport to pass-off a national outcome. This is used as a means to get around perceived delays in endorsement of Training Package component changes. Accredited course should not be classed as a national outcome. These products are simply nationally accredited and should be separated from national products.

The proposal in the Joyce report to move the endorsement of Training Packages into ASQA (subsuming ASIC's role) who, is also, the accrediting agency for state courses and regulator of RTOs raises concerns of a series of inherent conflicts of interest. Provided there were clear firewalls between the three then possibly these elements could co-exist for government efficacy and efficiency reasons but should not be passed-off as same.

Who, in ASQA or former ASIC, has the wear-with-all to understand the technical content and specifications of Training Packages, their purpose and how they must be managed to ensure the delivery of a demand driven VET system – few if none in ASIC seem to hold this competence?

Who, in this new agency (ASQA-ASIC) will ensure state courses are not accredited as a means of undermining and bypassing national products and the national VET system?

Who, in this new agency (ASQA-ASIC) would be able to provide technical specification and support advocacy and advice as to the purpose and use of Training Packages, and their merits over accredited courses?

Who, in this new agency (ASQA-ASIC) would be able to provide technical specification and support advocacy and advice as to how RTOs are expected to implement and use Training Packages?

In almost each of the question above, the answer would be very few. Hence, little confidence abounds in the VET community amongst its leaders and practitioners of the ability of such a new agency (ASQA-ASIC) once formed to do what is expected of it. Good competent and qualified leadership with a strong understanding of VET can help this paucity.

The claim by bodies such as TAFE Directors Australia that Training Packages continuous improvement processes are too slow and problematic are unfounded and are often more to do with their management and endorsement processes. Given clear minor and major maintenance policies and procedures that everyone understands, changes could be made very rapidly if the custodians of Training Package had thorough knowledge of them and how they were implemented. However, there is more effort assigned to changing templates and small components of the structures and processes than being concerned with the efficacy of the technical content of the Training Packages.

Training Packages, as they were intended consistent with their origins, are about, explicitly codifying a standard of performance, of what is required in a workplace. That once deemed competent one would be issued a national portable qualification or statement of attainment for an endorsed skill set. Training Packages are a magnificent national product for individuals, employers and the country for a whole range of reasons. They offer an array of benefits in workforce and skills development at micro and macro-economic levels. Additionally, they provide opportunities for establishing national workforce metrics as well as mechanisms for increasing and measuring national workforce productivity.

The basic issue has been and continues to be they are looked upon by commonwealth and state-territory training agencies and some VET leaders and practitioners, only as a training tool. They are much more, offering upstream workforce development opportunities. They have been poorly promoted, poorly explained and poorly managed in their implementation. So much more could be done with Training Packages other than looking at them through the prism of training outcomes, students, commonwealth-state funding models and relationships, and as complicated training tools for RTOs. They can be used for recruitment, reskilling and retention policies, practices and initiatives at micro and macro levels.

### **1 (c) Implementation of training packages by the Registered Training Organisations**

The implementation of training packages by the RTOs has been problematic, with many as evidenced in the Joyce report unable to scale or implement relevant on-the-job assessment practices, preferring more to focus efforts on classroom orientated training and believing they are conferring competence on individuals simply for completing a course.

The Joyce report identified the lack of work-based practice and experience, as part of VET qualifications, and viewed as a key failure of the system. This underscores the hallmark of the Training Package units of competency, which in almost all instances requires such. However, both RTOs and ASQA have failed abysmally in monitoring and assuring that such work-based practice and experience was undertaken and formed a key element of all delivery, assessment and audits. The Joyce report recommendations in this regard are apt and supported.

An interesting aside, is the restrictive practice that has emerged of industry-based Training Package qualifications in terms of the RTO standards to be complied with, following the creation and roll-out of TAE16 and its former versions, where to be a Certificate IV qualified Assessor one must also have been deemed competent as a Trainer and vice a versa. There is no sane or credible individual with a modicum of understanding of the VET system, Training Package components and management of an RTO that would absolutely mandate that an Assessor, whose primary responsibility is to assess against units of competency must be required to have been deemed competent in training delivery (of which they may never continue in or deliver and thus cannot maintain currency in). RTOs should be able to organise their staffing arrangements in a manner that suits their business. There should be at minimum an authorised Assessor(s) with assessor qualifications, period, that the RTO appoints. That assessor should be responsible for making the final decision, based on evidence (internal or external to an RTO), to deem competence to a candidate. These decisions should subsequently be reviewed on a regular basis, and standardised/moderated within the organisation in accordance with its procedures.

If I (the writer in this instance having managed an RTO) ran an RTO and wanted to appoint five (5) trainers to provide training to individuals in delivery of *certain aspects*, of say several units, supplemented by on-the-job work application gathered by portfolio or other approved method, that then both elements of evidence along with any other evidence so deemed fit by the Assessor can be drawn together to be assessed and a decision made, why would I need to have the trainers qualified as assessors if they never carry out assessments. Why should the appointed Assessor be required to be certified competent as a trainer? This is a restrictive practice on the RTO, and moreover, on individuals who may wish to join an RTO in the first instance and then graduate to becoming an Assessor.

The current arrangement is, that if I wanted to recruit a trainer, they would need to go to one of the specially blessed and approved RTOs, pay money to get TAE16 CIV Assessor qualification that includes training competency before I could employ them and use them to train. They would be forced to get the assessment competence even if unwanted and unwarranted. Given the expense, many prospective and well-intended individuals are prevented the opportunity join the VET community because of the artificial qualification barrier, needing money through no fault of their own but that of the system that requires at the very least a person to hold two competencies (one of which they may not require for employment), placing a premium on employment for no added value.

A simple RTO business model is in affect complicated by good-intentioned people believing for instance that an Assessor must hold training delivery competence to be an Assessor. The question is why?

The Assessor qualifications have been emasculated by those with self-interest in trying to professionalise it for their benefit over the basic interest of the VET system. That is, to assess and qualify a candidate against an explicit publicly declared national standard of performance (unit of competency). Whilst the design of assessment tools and other related activities are indeed requiring of more professional depth, the art and role of being a competent assessor is no different than the very first national standards developed in the 1990s and similar ones overseas.

The TAE Training Package roll-out has resulted in regressive evolution to qualitative improvements of the VET system. There has been too much focus on continually changing what was good, rather than fixing the downstream problems of implementation by RTOs and qualitative and quantitative audits by ASQA and former state-territory QA bodies.

## 1 (d) Quality delivery to learners

Downstream delivery issues from Training Packages are axiomatic if the essential logic of Training Packages is poorly articulated and promoted, and as a result misunderstood in the first place by RTOs, ASQA, and related government agencies now responsible.

Many RTOs have by and large struggled with unpacking Training Packages for delivery purposes, complicated often where qualifications are publicly funded, by funding models and ascribed hours assigned to a unit of competency. Understandably, this has led to mass confusion and unintended consequences, that even the developers of Training Packages could not envisage. The inflexible publicly funded funding and hours models have totally corrupted the Training Packages qualifications development, such that units of competency are constantly being developed or redeveloped to suit funding models rather than the function of work that is performed in the workplace and to which training and assessment is required to determine if competence has been achieved.

RTOs in turn have resisted the full implementation of Training Package qualifications because of the publicly funded model issues. In many cases RTOs have been at the forefront of forcing or seeking to force changes to Training Package qualifications and units of competency development to suit their needs rather than workplace needs. The direct involvement of RTOs in Training Package has always been resisted from their original design, and the Training Package Developers standards explicitly state that Training Packages are not about delivery. Why, because RTOs can influence outcomes that directly benefit them.

Now we have Training Packages encompass hours on the job/workplace that must be adhered to and monitored because RTOs could not be trusted to ensure they carried out the delivery of training and assessment in manner acceptable to their industry – why, because the audit of RTOs failed to identify the failure of some RTOs to do the right thing. So, instead of fixing the audit practice good RTOs have to introduce new compliance processes and measures to meet the new requirements adding yet more costs to the businesses.

Additionally, respective government agencies and SSOs have failed to properly train and educate RTOs in how to implement Training Packages correctly. As stated above, the whole agenda of implementation has been complicated by funding models led by government funding agencies that have little appetite for change whilst at the same time continuing to have poor understanding of units of competency. Both these issues, along is some cases with high RTO personnel changeovers, have contributed a lack or loss of knowledge all round.

This paucity of competency in the understanding of Training Packages is exacerbated by ASQA's poorer understanding of how to audit such outcomes. There is a litany of evidence around that highlights the inability of a majority of ASQA auditors to properly audit an RTO's affairs on the competence of their technical delivery in a given industry context. A greater focus has been on auditing process, over industry associated technical content. This has led to failures to identifying RTOs that may indeed be process competent but deliver a bad technical outcome.

ASQA has made little effort to look to deploy more suitable audit models that involve those in industry which the industry-based Training Packages were developed for. If ASQA had deployed a more transparent industry-led panel-based approach for example, to auditing respective RTOs it is likely that the current poor image that ASQA has attracted on social media including parliamentary petitions (EN1129) may have been assuaged and many would now have the confidence to support its ongoing role.

Whilst it is recognised auditing can be a difficult function, a little bit of leadership through the involvement of networks of industry supporters to assist it in its role will have gone a long way to weed out bad RTOs and helped those that could have, with a little bit of support, been nurtured into becoming quality RTOs.

### **1 (e) Learner outcomes (e.g. assessment of competency)**

The learner doesn't know what they don't know... period.

Is the question about the learner or assessment of competency, as there is a distinct difference of each?

The challenge for learners is that they should see themselves as having to meet a standard, enshrined in the nominated unit of competency, and not to be a student in learning. This requires a changing of perception for learners to becoming candidates driving their own learning.

Where is the national VET system explanation that articulates this point of view?

We are entering a world of life-long learning and the wonderful thing about units of competency (if not rendered meaningless by silly changes to their fundamental meaning) provide learners (or should we say candidates) with an explicit set of criteria that are publicly available and that must be performed. They can choose at what pace and the approach they desire after consulting appropriate stakeholders as to the most appropriate to be followed, and the RTO they wish to choose and help them effect that outcome they desire.

The same is true of employers who too, are stakeholders in the system, and may wish to guide candidates towards the outcomes needed for recruitment and/or their employee to gain or maintain employment.

The change in learner come candidate perception, is as important as the Training Packages that are available to provide the product of learning and assessment required and the RTO that will provide the wear with all to guide them to competence, ably augmented by a quality assurance model that verifies the process is in good order and the outcomes are qualitative as intended.

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## **Opportunities for improvement**

### **2. What do you see as system improvements (new approaches) that Skills Organisations could deliver to support a responsive, relevant and high-quality VET system in relation to?**

#### **2 (a) Industry leadership, responsibility and accountability for system outcomes**

A key role of SSOs is to involve industry through formal and informal arrangements to assist it formally develop, state and validate respective national qualifications, assessment guidance and units of competency making up an industry-based Training Package as determined by ASIC (or its successor) and, through ASIC, seek their national endorsement for formal recognition.

SSOs should be charged with the responsibility of leading, assisting and involving industry, enterprises and their workforce as well as associated stakeholders such as practitioners, government agencies and community to identify and validate the contents of Training Packages they manage and develop for their sectors.

As at the same time they undertake these activities, they are well placed to identify, support and advise on how skills and workforce development as well as nationally endorsed Training Packages can be integrated with industry, business and enterprise goals and contribute to improving productivity and efficiency of the Australian workforce. Additionally, they are able to concurrently gather accurate industry intelligence on future skills trends and directions for reporting to government. Most notably, SSOs can utilise the information gathered to provide leadership and strategic advice on trends in the labour market and the corresponding quality and direction that VET outcomes should take.

The SSOs, should be industry-led, private sector boards, comprised of key business, industry leaders, government and community representatives, and may in some instances include associated stakeholders such as VET practitioners, with appropriate individual expertise and professional networks. They should be independent and not involved in associated private activities beyond their scope on areas of conflict of interest. They should be charged with the prime responsible of driving Australia's skills recognition and the workforce development and reform agenda in their respective industries. This distinctive and unique arrangement in turn presents an array of opportunities to identify the appropriate skills-base within and across industry, support innovation in industries and businesses, and contribute to enhancing the international competitiveness of the Australian economy.

Key success indicators of SSOs, would be their contribution to the development of a 21<sup>st</sup> century workforce by improving skills recognition across and within their industry sectors, providing advice to address skill deficits before they become a problem, and identifying more flexible and innovative skill mixes to meet industry, business and community needs now and in the future. They should look to:

- engage, consult, develop and validate, and continuously improve, with respective industry stakeholders their sector Training Packages and related components, and manage such for ASIC/ASQA endorsement;
- identify and report through evidence-based research on relevant labour-market trends, developments, contribution to the economic performance, skills related and workforce issues, career opportunities / pathways and suggested initiatives to improve productivity, efficiency and safety in the industry to ASIC/ASQA, through the production of an annual industry sector skills plan respectively;
- act as the custodian and repository for information and advice on respective Training Package technical content implementation issues and expertise as well as resource development and roll-out advice;
- identify and advance innovative practices and activities that promote skills-based recruitment, reskilling and retention policies in the industry;
- contribute to improvements in the development of key VET standards, policy, procedures and technical content support material by key VET agencies such as ASIC, ASQA and subsequent successor agencies;
- act as ambassadors for promoting the COAG Skills Agenda of the VET system including various goals, aims and objectives;



- provide advisory services and professional development, on an on-going basis, to industry, businesses, enterprises, establishments, government, regulators, Registered Training Organisations (RTOs) and their staff, and relevant and associated stakeholders on the points above;
- produce and/or advise on exemplar support strategies, advisory and guidance learning and assessment materials and promotional information, as well as careers information and advice for use by various stakeholders including schools and prospective learners/candidates; and
- provide Quality Assurance (QA)/Audit advisory support services to ASQA – such as subject matter experts (SMEs) for industry audit panels.

## **2 (b) Skills gap (need) identification and analysis**

See above – if above achieved the skills gaps (need) identification and analysis. It should be a core function of the work an SSO does.

## **2 (c) Qualification development**

Embedded in above commentary provided on leadership role, suffice to reaffirm the need for SSOs to act as custodians, repository centres and advisory resource service providers of technical information and advice on respective Training Package content. This includes implementation and resources development issues and expertise.

An important condition of SSOs development responsibility of qualifications and units of competency must be, that SSOs establish formal industry-based and state-territory-based links with relevant stakeholders. Development should not rely on the exclusive use of only one-way electronic medium systems and narrow focused training advisory committees, where members are individually selected operating under the auspices of a government selected and constituted membership of an Industry Reference Committee (IRC) to help update Training Package components. There must be stronger emphasis and reliance on SSOs having to hold public forums and workshops across the country in cities and regional areas to elicit and confirm relevant information and build consensus for the product and intended outcomes.

Training Packages to gain acceptance, understanding, credibility and integrity require open dialogue amongst practitioners and users. It requires the building of consensus through dialogue across the nation, so as to establish an agreed standard of performance of work outcome. It is not a singular focused product where the content is akin to curriculum development by a small committee of experts for a very narrow outcome. Training Packages are much more. Inviting a small committee(s) and one-peak body to establish a national standard using electronic inputs to very complex products, that may range across 100s of qualifications is destined to fail or result in a loss of confidence. The art is about building consensus, confidence and promoting of the outcome standard required amongst peers, and then utilising support mechanisms to help implement and promote them not just for training and assessment purposes or funding but for recruitment, reskilling and retention by employers. Also, in building career promotional and pathways information and advice which are inherent in Training Package development processes and resultant range of qualifications.

In terms of career advisory information, one has to question the Joyce proposal to establish the National Careers Institute without proposing strong links being established with SSOs. Whilst the principle of the proposal to bring together career information under one roof is supported,



appropriate and timely much of the workforce and occupational data such as ASCO, and government produced career information is rather dated or is backward looking and irrelevant for use in promoting careers. SSO is managing and maintaining Training Packages gather much real time workforce and occupational data in designing qualifications and developing units of competency to reflect current work practices and processes. They include in their respective industry-based Training Packages the most current pathways and career profiles that can be pursued between and across qualifications. The Training Packages have a wealth of information for careers advice for existing workers and aspirational workers.

The National Careers Institute should be required to establish formal links with SSOs and have them produce and advise on relevant promotional and careers information for their respective industry-based Training Packages. This will ensure that authoritative and current information is published and circulated to relevant stakeholders. The National Careers Institute should not be tasked with creating or producing content information for careers advice of its own making but be a facilitator, templates designer, repository holder and distributor of such information across an array of social media platforms. This would ensure consistency in presentation, consistency of data, consistency of message, and the catalyst for developing confidence in the information conveyed and look and feel of the same themed livery used, all emanating from one authoritative source.

### **2 2 (d) Work-based training placements**

The Joyce report suggests (R 5.11) that SSO take over the Australian Apprenticeship Support Network. Whilst the proposal may have some merit in terms of apprentice/trainee placements, it is short on information as to how effective a national body without formal links or structures in place at state-territory, city and regional levels can implement such a proposal.

Also, not sure that SSOs are best placed to arrange work-based training placements for national Training Package qualifications when there are bodies such as Group Training, RTOs and schools who could do such. SSO's primary role is to establish the benchmarks that are to be met for industry outcomes in the form of qualifications or statements of attainment for skill sets. This is a large undertaking and a continuous one that requires constant engagement with industry and research as to skills forecasts and recruitment and retention developments.

This suggestion, therefore, demonstrates a level of naivety of our Australian context of federal and state systems, versus a unitary system of government like New Zealand, where Mr Joyce originates from.

This should not be part of an SSOs role.

More attention should be given by ASQA in audits as to how effective and relevant are the workplace evidence gathering techniques and practices implemented by RTOs. Moreover, more emphasis and regard by ASQA as to how consistent these techniques and practices are with what those preferred and outlined in the industry-based Training Packages. If there is a variance ASQA's role would be to ensure RTOs addressed such shortfalls.

### **2 (e) Industry-Registered Training Organisation collaboration**

Collaboration and consensus building is fundamental to building confidence in the quality of the VET system. Whilst there should be limited controlling influence of RTOs in Training Package development of respective components such as qualifications, assessment requirements and units of

competency they must be invited to submit and articulate their views. However, it must always be contrasted against potential or explicit conflicts of interest issues inherent in Training Package components development. RTOs views should be countervailed against industry views and other stakeholders such as regulators and government agencies, as applicable. Their input and involvement is important, as is them gaining competence and expertise in unpacking Training Package components for training and assessment. SSOs should lead this process of professional development once their Training Package(s) and/or respective components are updated and endorsed. There is a symbiotic relationship that must emerge to help effect credibility and confidence in the quality of outcomes, but not such that SSOs become captured by them at the expense of their industry agenda to produce a national standard of what is required in work of an operative. This principal must never be lost.

SSO too can play an important part in the ASQA audit process that can build confidence and integrity in the quality of candidates being issued a national Training Package qualification. It requires however, that ASQA take a different and more strategic industry-centric and not an educationalist only approach to audits that explore the efficacy of the quality of technical content delivered and assessed, and not just an audit of processes. ASQA could establish industry panels in consultation and advice from SSOs that could be assembled and assist in reviewing the technical content delivered and assessed. This aspect has been one of the great failures of the ASQA audit process and allowed RTOs to pass audits because of their good processes only to see in some instances their candidates emerge, when reviewed by their peers as not-yet-competent.

More work needs to be done in this regard to raise confidence and credibility of the quality of outcomes of the national VET system by driving RTOs to work closer with respective SSOs and in turn SSOs providing professional development support to them.

## **2 (f) Identifying high performing Registered Training Organisations**

The Joyce report provides a suggested possible opportunity for SSOs to establish preferred provider lists. However, such a proposal needs to be checked for possible restrictive training practices (a possible anti-competitive issue?) – especially in relation to how it might apply to a public provider?

Industry-based SME Panel assessment would be a practice worth consideration, that the SSOs could lead in facilitating.

## **2 (g) Quality assessment of learner outcomes.**

Improved focus on RPL and gap analysis would be a strategic and qualitative improvement on the system.

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### **Do you have any additional comments that you would like to add? \***

Yes. It is suggested the naming of the National Skills Commission is unfortunate. A recent straw poll we conducted amongst 60 VET practitioners when asked what they thought the Commission's role was, most perceived it to be about working with SSOs to oversight the development and endorsement of Training Package; like ASIC's role, and to look at workforce skills forecasting. Some were not sure. When apprised of the intended role of the Commission many were surprised to learn

a large proportion of its work was about funding models and mechanisms. Whilst this is a very important function, maybe it would be prudent to consider renaming the Commission more aptly and using the title to replace the joining of ASQA-ASIC's prospective roles into ASQA as proposed by the Joyce report.

Find a new and more apt title for a body that is exploring and developing suitable funding models and mechanisms involving federal-state relations.

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