Skills Reform

Discussion Paper
Improving industry engagement and reforming qualifications in Vocational Education and Training

Introduction

Vocational education and training (VET) is central to Australia's economic growth and business productivity and is key part of Australia's economic recovery from COVID-19. The Commonwealth, state and territory governments have agreed to reforming the VET system to ensure it is delivering for learners and employers. This will equip Australians with the skills they need to upskill in current roles or apply to new and emerging jobs.

Improving industry engagement and reforming qualifications in the VET system is vital to these reforms. Feedback provided will be considered by Skills Ministers and inform decisions on future arrangements. You are asked to consider your needs and expectations of the national training system and how you would like a future system to work.

The strength of Australia's VET system is internationally recognised. However, we also need to ensure Australia has a highly skilled workforce that is ready for the job market, now and into the future. The impacts of COVID-19, a rapidly changing economy and widening skills gap are changing the way we work – VET needs to respond to this. Australia needs a responsive and resilient workforce that delivers for businesses and employers. The work undertaken by the Australian Industry and Skills Committee (AISC) and the associated Industry Reference Committees (IRCs) on improving industry engagement will be considered as part of this process.

Reforming qualifications and improving industry engagement is one of many measures Australian governments are taking to improve the national training system and VET sector. The National Skills Commission and the National Careers Institute have been established, along with other reforms as set out in the Heads of Agreement for Skills Reform.

Industry in the national VET system

Industry engagement is a core principle of Australia's VET system. When this discussion paper mentions industry, it is referring to three broad stakeholder groups involved in the national training system:

- **Employers** – small, medium and large businesses
- **Employer associations** – member-based organisations, including peak bodies, licensing associations and other employer advisory bodies
- **Employee representatives** – member-based organisations including unions

Case for change

Australia's VET system is recognised for its industry engagement, quality and capacity to deliver qualifications that align to jobs. Australia consistently ranks in the top three countries in the Organisation for Economic Co-operation and Development (OECD) for adult participation in VET. [1] Australia is the first choice of the majority of VET international students in studying overseas. [2]

The current VET system is working well but there is room for improvement. While employer satisfaction in VET remains strong, it has fallen over the last decade from 86.3 per cent in 2009, to 78.8 per cent in 2019. [3] The VET system must be improved to meet the rapidly changing needs of employers and businesses so they can grow and be internationally competitive, create new jobs and strengthen their labour market resilience.

The issues are known. There have been successive reviews of the VET system over the last decade, including the 2019 '*Strengthening Skills: Expert Review of Australia's Vocational Education and Training System*' report by the Honourable. Steven Joyce (the Joyce Review). All identified key areas for improvements across the system. These include strengthening industry engagement across the national training system, increased responsiveness to employer needs and skills change, and boosting student outcomes through better qualifications.

The VET system is a **key part of Australia's ability to respond effectively to the COVID-19 pandemic** and will underpin Australia's economic recovery. The COVID-19 pandemic has radically impacted the Australian labour market, with an unprecedented fall in employment and a significant increase in underemployment. [4] The VET system has responded to this, by fast tracking new courses to upskill essential services like frontline health roles and infection control. Training providers and employers shifted to online delivery modes, restructured course content and created innovative assessment models to engage and continue teaching learners. In an unprecedented circumstance, the system responded to the needs of the market. A future system needs to continue to put responsiveness at its forefront.

Increased responsiveness of the VET system is essential in meeting industry skills needs and driving economic growth. An efficient and effective system is required to better drive and understand emerging skills needs, qualification development and training delivery. The AISC commissioned a review in 2018 which found the process for qualification development is overly complex and bureaucratic, lacked transparency and is hard to engage with. [5] The average time for the development of a training product (e.g. VET

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[1] OECD, 2020. *Education at a Glance 2020*. Paris: OECD.

[2] Department of Education and Training 2017, *International Student Survey Results for VET 2016*, Canberra.

[3] National Centre for Vocational Education Research, 2019. *Employers' use and views of the VET system 2019*. Adelaide: National Centre for Vocational Education Research.

[4] National Skills Commission, 2020. *A snapshot in time: the Australian labour market and COVID-19*. Canberra: National Skills Commission.

[5] Fyusion. (2018). *Training Package Development, Endorsement and Implementation Process: Current State Report*. Fyusion. Retrieved from

qualifications such as a Certificate III in Carpentry) under this system is 18 months, with more than one third taking over two years.

Employers have an important and varied role in the VET system. Employers interact with the VET system in diverse and complex ways. These include, hiring VET graduates; engaging and supporting structured training for apprentices and trainees, training their own employees, providing input to the development of qualifications, and in some cases, working with Registered Training Organisations (RTOs) to develop organisation-specific training, including tailored training to meet workforce development needs. There are opportunities to leverage these interactions. There is strong stakeholder support, including from RTOs, for employers to have a greater role in identifying and forecasting skills needs and contributing to the development of learning resources for training delivery to learners. [6]

At a national level, the Joyce Review found the current arrangements for industry engagement in VET was overly centralised. The review found the actual voice of employers was too weak and proposed recommendations to create a "true industry-owned approach". [7] To be fit for the future, employers need to have a greater role across all areas of VET. This includes supporting RTOs, providing work placement for learners and ensuring quality through workplace assessment. To drive outcomes, there needs to be **a strong and coordinated voice for employers** in VET.

Better qualifications could support greater employee mobility to boost student and labour outcomes. Stakeholders have provided feedback that the current arrangements are creating silos and preventing collaboration across different industry groups. This leads to specialised qualifications with limited career paths for graduates, and limits the workforce available to employers.

There are more than 1,300 qualifications in the current national training system, 13 per cent of which have zero enrolments and 50 per cent having less than 222 enrolments between 2016-2018. [8] The complexity of the national training system hinders employers and learners from readily identifying the qualifications and skillsets they need to gain the right skills and build their workforce. Stronger employer collaboration is needed to foster cross-sector career pathways and maximise mobility for workers.

For a summary of current industry engagement arrangements, please see "Factsheet: Overview of Current Industry Leadership Arrangements in VET".

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https://www.aisc.net.au/sites/default/files/documents/Training%20Package%20Development%2C%20Endorsement%20and%20Implementation%20Process.pdf

[6] Department of Education, Skills and Employment. (2020, May 7). *"This is what we heard": Skills Organisations co-design consultations*. Retrieved from Department of Education, Skills and Employment: https://docs.employment.gov.au/documents/so-what-we-heard

[7] Commonwealth of Australia, Department of the Prime Minister and Cabinet, 2019. *Strengthening Skills*

[8] NCVER VET Program enrolments 2016-2018. Police and Defence training qualifications are excluded from the analysis. New qualifications in 2018 were excluded from the analysis. Total number of qualifications analysed is 1,360.

Submissions

This discussion paper includes a number of questions that have been framed to gather your views and feedback on industry engagement across the VET system.

You are invited to respond to all of the questions or just those of most relevance of interest to you.

Submission questions

1. **Does the role of industry need to be strengthened or expanded across the VET system? Why/why not?** Please consider the following prompts in your response (max 600 words)

    1.1. What does industry engagement mean to you?

    Industry engagement has evolved over time and appears to be strengthening however needs to be further expanded to ensure we capture all of the proponents of the system on a consistent basis not on an ad-hoc basis.

    Industry engagement is the connection in a consultative process of bringing all of the participants within the VET system together that is: employers, peak body/associations, RTO's/GTO's (all training providers including secondary schools offering VET programs, enterprise, public and private offering accredited and non-accredited/informal programs), and include our Australian Apprenticeship Network Providers.

    Let us not forget about the student. How do we capture the student voice? Is it being captured via the NCI (National Careers Institute)? How do we engage with prospective students who have not yet connected with us? Are schools, youth organisations possible avenues? Connectivity with past students would enable the sector to learn about the relevance of their learning content from a student's perspective. Do we implement something like a student peak body/alumnus to connect to past students?

    Engagement as a peak body is to have a "seat at the table" to contribute the voice of industry.

    1.2. How can industry be encouraged to connect with and use the VET system? What does this look like?

    It is important to demonstrate to industry how engagement with the VET system will help build/improve their industry through workforce development, skills development that improves the capabilities or competency of their workers – Such engagement by industry would expand the opportunities to encourage new workers into the Human Services Industry and this in turn this will help evolve and build a more robust and quality training system.

    Identify at a national level the industry representatives and service businesses who should be connect and who is not connected. There needs to be greater emphasis on connecting employers with RTO's- even though this is mandated against RTO compliance with the standards, using a regulatory approach does not appear to have been successful in connecting the voice of the employer with that of the training provider/s.

    To encourage connection, it needs to be identified clearly to stakeholders who owns what role within our VET system at state/territory-based or national level of representation. Industry needs surety that there is no duplication on engagement/consultation – this is currently happening and as a result consultation is looping with little to no action. This discourages industry engagement with the VET sector.

It needs to be ensured that the voices who connect are being heard and that the outcomes from those voices are communicated – so there is a full circle communication loop. Stakeholders may have historically found that the time commitment in engagement outweighs the outcomes or maybe they have not learned what outcomes have been achieved because it has not been communicated.

1.3. Are there any roles for industry in the VET system that are not covered or outlined in the case for change?

We have not seen the connection of secondary schools regarding their curriculum development for consultation as a national stakeholder at a national level. Individualised connection may be undertaken in this space if schools are registered to deliver VET in Schools programs or are aligned with an RTO to deliver programs.

Should there also be representation of behalf of our Australian Apprenticeship system?

2. Are you aware of the current industry engagement arrangements that are in place to design and develop VET qualifications i.e. the Australian Industry and Skills Committee and the Industry Reference Committees? (Selected Response Yes/~~No~~)

3. (If yes to Question 2) How effective are the current industry engagement arrangements in VET in meeting your needs? Please consider the following prompts in your response (max 600 words)

3.1. What works well and what could be improved? How could it be improved?

As an industry peak body/association we are fortunate to have representation on a number of advisory groups both nationally and state/territory based. We are afforded the opportunity to respond to consultation papers in all areas related to the design and development of VET qualifications. However, points raised within our submissions as representatives of industry do, at times, not result in the improvements sought by industry.

During our process of engagement, we do find that number of representative bodies who seek engagement are seeking feedback for similar topics for discussion. We find that this information loops with limited output or outcomes and is re-visited a number of times even over timeframes as little as 12 months between the varying representative bodies. Notwithstanding, we have seen improvements in the training system with unprecedented speed in accreditation/endorsement of training programs in response to industry needs, this is also in consideration of the emerging needs encountered due to the COVID-19 pandemic.

To broaden the engagement with stakeholder groups consider accessing a range of respondents from within each stakeholder group to allow for breadth of input from the varying levels of expertise.

While LASA understands that there are 66 IRCs supported by six SSO's we would like to see additional representation from the VET System's National Regulator ASQA, or the State regulators for Victoria VRWA or Western Australia TACWA to better inform the consultation process. Being part of the process and being "present" in understanding would enable these bodies to better understand the industry training needs, intent of certain training packages – their unit selections and current unit content. They could also seek feedback from the stakeholder group about the quality of certain training providers who consistently do not meet industry needs.

With regard to state/territory funding opportunities we identify having limited requests for engagement in this space and would call for a broader opportunity to engage in this area. We would also like to see state/territory funding bodies requesting our endorsement of RTO's seeking funding to ensure we are bringing to front of mind approving those RTO's who we know provide the quality training demanded by industry.

3.2. How well are you (or your organisation) represented by these arrangements?

We are well represented. However, in some instances we discover consultation we had been unaware about and/or have to place assertive requests for participation. Our response to Q1 above offers strategies that would ensure that engagement is sought consistently by all stakeholders.

3.3. How well do current arrangements allow collaboration across industry sectors on common workforce and skills needs?

Within the Human Services Sector we see frequent collaboration under the current arrangements across these sectors and understand that the workforce and skills needs are very similar. We rarely collaborate across other/external industry sectors beyond Human Services.

4. What can be done to drive greater collaboration across industries to broaden career pathways for VET graduates and maximise the workforce available to employers? Please consider the following prompts in your response (max 600 words)

4.1. How can workers be equipped with skills that can be applied across different jobs? How can industry support this through the VET system?

We need to ensure the qualifications have enough electives to ensure we can "stream" them better than is currently allowable under the packaging rules. This will allow for the ease of transferability of employees within the sector. We do provide the opportunity to collaborate with RTO's on behalf of our members to better customise training products to suit their purposes – albeit by manoeuvring within packaging rules. We have responded to a number of consultation papers to Skills IQ. In particular we provided feedback to work placement, the re-imagined personal care worker, suitability of skill sets and update to the packaging rules, unit selections within the Certificate III in Individual Support, Certificate IV in Ageing and content update to the unit criteria.

Micro-credentialling or customised short courses play an important role as they allow employers to professionally develop their workforce to suit purpose.

Transferability – a mechanism similar to a Skills Passport (already implemented for the Electrotechnology & Mining industry https://www.skillpass.com.au/about-skillpass/) should be considered. A skills passport or skillspass is a tool or document allowing people to record their skills, competencies and knowledge. These can be the result of formal, informal or non-formal learning. This could be developed by ASIRC in association with varying umbrella peak bodies representing the Human Services Industry. The skills passport not only enables users to record their skills, competencies, knowledge and work experience; it also allows them to request previous employers to endorse skills that have been obtained on the job allowing for future employers to grow their workforce.

4.2. How can we break down silos and improve collaboration across industry groups?

And drive collaboration from providing a clear picture and drive this from a specific landing point. The body/bodies responsible for driving the collaboration need to be identified.

Provide good communication channels across the stakeholder group/s. Show there are outcomes from previous collaboration – gain trust in that this process works. Incentivise collaboration. Provide the most efficient means of collaboration rather than clunky processes and systems. Avoid duplications of discussions and make them productive and outcomes focused. Create communities of practice amongst the stakeholder groups to share the opportunity for cross industry collaboration allowing for different perspectives and to look beyond their own environments.

5. **Are qualifications fit-for-purpose in meeting the needs of industry and learners now and into the future? Why/why not?** Please consider the following prompts in your response (max 600 words)

5.1. Are the different needs of industry and learners effectively considered in designing qualifications in the current system? What works well and why?

This question is a hard one to answer and the upshot is that we believe the qualifications such as the Certificate III in Individual Support and Certificate IV in Ageing, skill-sets in Case-Management, Medication and Mental Health and contents contained within the units of competency (Karen identify the courses(s) you are talking about here in the sentence) are not fit for purpose – they are outdated and do not meet current industry standards. Part of the reason for this is the extremely slow progress of the consultation processes involved. Even LASA's consultation response written in 2019 has had little to medium impact to the outcomes of draft 1 - Aged Care and Disability Training Package Review which has just been released for consultation. So, in essence it has taken since 2019 to get a first draft out for public consultation – this will then go to draft 2 stage before finally being endorsed which could take the best part of 2021! However, aged care standards and the workforce skills arising from this change frequently and quickly.

At this point in time, the Age Services Sector does not have a mandatory qualification, our expectation is this will most likely to change in response to the findings of the Royal Commission. It is only within the Commonwealth Home Support Program that it is recommended staff who are providing personal care support including assistance with client self-administration of medicine, a Certificate III in Aged/Community care or equivalent is desirable.

This is not reflected in the programs within the Aged Care Act, Home Care Packages and Residential Aged Care, noting that the approved provider has a responsibility to provide appropriately trained and skilled staff. The Sector has expressed concerns about the variance in skills within direct care staff due to the inconsistency of RTO's practices, relevance of core units and also the choice of electives.

The industry has lost confidence in Vocational Education and Training (VET) programmes because many Registered Training Organisations lack understanding of the current operating environment in aged care. Further, the length and quality of course offerings in the sector varies significantly. LASA believes that future VET training should ensure that content is relevant, current and reflective of the age services environment now, whilst also forecasting the needs of the future.

To date the sector has dealt with the poor vocational preparation of aged care staff by employing people with the right attitude and personality to care rather than focusing on applicants' qualifications only. Many aged care providers then teach the skills necessary using the staff's right values as solid vocational foundation.

To relieve providers from providing entry training to staff new to the sector it is critically important for every aged care worker to complete some form of mandatory aged care training of relevant and comprehensive content. This training should be followed by ongoing support through a broad continuous professional development learning program incorporating both practical experience with formalised study.

The Age Services Sector has not been disparaging of the structure of some of the qualifications, rather the content that is included and just as importantly excluded in current core electives. The majority of providers believe that the ability to obtain dual specialisations is a positive move and assist with workforce attraction, retention, upskilling and provides them as a service provider with skilled and competent staff, with a similar benchmark (as they all do the same core units), to respond to their changing clientele.

Training package reviews/development take too long and so therefore have not evolved in time with the changing needs of the Age Services Sector, its clients and their expectations.

As it currently stands there is a question as to whether the content of our units of competency has the risk of promoting a task orientation, rather than that of a person-centred approach to supporting individuals. The Sector has expected that in particular the Certificate III in Individual Support qualification will be transformed, but it seems that an incremental approach has occurred instead.

5.2. Are there issues or challenges with the way qualifications are currently designed? What are they and what could be done to address these?

Yes, as an example continuing to refer to the Certificate III in Individual Support qualification, the proposed qualification does not address all essential learning needs for entrance into aged care employment. Whilst the approach of core and elective units is understandable in the design, we believe there should be an increase in core units. Skills IQ has explained the reason for retaining the number of core units is to ensure alignment against the Certificate III in Individual Support, however we believe core learnings are missing.

Further, for the ageing stream a vast number of 26 learning units have been identified as possible electives from which RTOs can choose which ones they deliver. Whilst we identify the need for variation and flexibility within the electives to allow an organisation address their specific service requirements, LASA is concerned that this may contribute to ongoing issues with inconsistency in course content and potentially the quality of VET training for the Ageing and Home and Community specialisations.

LASA believes that future VET training courses should contain core components that have been informed by the learnings of the Royal Commission.

We believe these electives are appropriate to job roles in aged care as this allows for many choices and flexibility, however this raises questions regarding how it will work in a practical sense. Will RTOs develop a 'generic' program developed to attract as many course participants as possible? If

this occurs, the result will be similar to the current situation where new employees are not 'job ready.' Some of these elective areas represent critical job ready skills and it is our view they should not be left to choose.

Leaving electives to RTO's to decide is not the preferred way forward. Decisions on content will be made which reflect the RTO's own objectives and not those of aged care providers. There should be a greater number of core units reflecting the need for consistency in the sector.

A clear example of this, whilst we understand the need, is that during 2020 the introduction of the COVID Infection Control unit was mandated to be an elective, however the number of units in the Certificate III were not changed. Therefore, the number of specialised units needed to be reduced to allow for the addition of this new unit. This had a serious impact on aged care providers who received no consultation about this change in training content and their newly VET trained employees a arrived with a qualification which was not fit for purpose.

LASA members have raised a question as to whether there should be entry requirements for this qualification? There is concern regarding individuals who are enrolling in the qualification who do not have English as their first language, have challenges with both literacy and computer literacy and are being awarded the qualification. One of the LASA members expressed "The level of English is also quite concerning. At interview our facility asks the applicant to answer a few basic questions to assess their basic comprehension and written skills. Many don't make it past interview." Some qualified applicants do not have an understanding of Western culture.

A concern also noted is that many qualified applicants do not have an understanding of customer service and the expectations of the Aged Care Quality Standards.

Some Members believe that without entry requirements that address such issues the challenge to attract and expand a high-quality workforce will be further complicated. The Australian Government and the Age Services Industry should want a better "entry requirement" for aged care entry.

Older Australians should be supported to live their best life possible, and a strong relationship focus is critical in achieving this. A client's best life goes far beyond the completion of basic tasks. Our qualifications need to reflect a more ambitious focus and skill set for the aged care workforce, now and for the future.

There is definitely a challenge to create a qualification framework for aged care that develops the important skills for success both in a Home Care and Residential environment, skills that are more complex and more difficult to learn. Increasingly, workforce flexibility is going to be necessary to create the workforce of the future that can operate across residential aged care, home care and disability. The use of micro credentialing and skill sets are important considerations in building the flexibility that our qualifications will require for the future.

6. **Are there any further issues in relation to improving industry engagement in the VET sector that you would like to provide feedback on?** (max 600 words)

Making a submission

Submissions are to be made through the online submission form. For more information on the immediate reforms, please visit the website: www.skillsreform.gov.au.

Submissions will close at 12:00 pm (AEDT), Monday, 1 March 2021.