

Creating a future direction for Australian vocational education and training – Discussion Paper

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Submission information

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Creating a future direction for Australian vocational education and training

CONSULTATION QUESTIONS

ForestWorks Industry Skills Council provides the following response to the Skills Australia Creating a Future Direction for Australian Vocational Education and Training Consultation paper. The paper is extensive, detailed and complex – indeed reflective of the VET system. ForestWorks has acquired extensive intelligence and experience of Vocational Education and Training (VET) throughout its years of interaction with industry, with Government structures and with communities. Based on this experience, ForestWorks has chosen to comment on and make recommendations in seven key areas:

1. Workforce development
2. Workplace-based delivery
3. Marketing of apprenticeships and traineeships
4. Quality of delivery and outcomes
5. Participation and completion
6. LLN as fundamental skills
7. Funding mechanisms

Within each focus area, ForestWorks has identified key recommendations for the VET sector. Section A of the document provides a summary of those recommendations whilst Section B additionally provides comment and rationale for each focus area.

Section A: Recommendations

1. Re: Workforce development.

It is strongly recommended that the VET sector, in particular Registered Training Organisations (RTOs), should continue to be active and responsive contributors to enterprise efforts in workforce development. They should utilise their specific expertise in design and delivery of workplace education and training. However, this expertise should not be undervalued or weakened by other expectations - such as expectations of them to be responsible for workforce development. RTOs are specialist organisations and have valuable, essential skills training skills which are needed by students and workplaces. There are however, other organisations with developed capacity to manage the complexity of workforce development and we are concerned that if the VET system seeks to undertake this additional role, RTOs will be diluted in their capacity for design and delivery of training and assessment programmes. It is essential to have the capacity to separate advice on training and advice on general work force development needs.

2. Re: Workplace- based delivery

To increase the support provided to workplace training, it is recommended that the VET sector be requested to address the current barriers [set out below in Section B] which work against the concept of effective workplace training, particularly where regional, high cost and highly sector-

specific skills are required. Addressing these barriers should be central to the ongoing improvement of the VET sector to enable the sector to meet the future needs of industry.

3. Re: Marketing of apprenticeships and traineeships

Apprenticeships and traineeships represent valuable pathways towards skills and qualifications and as such they should be marketed appropriately. The use of terms such as “new apprenticeship” or “Australian apprenticeships” to describe the separate and different work based pathways of traineeships and apprenticeships creates confusion about the two models and undermines their full utilisation.

4. Re: Quality of delivery and outcomes

ForestWorks recommends and supports measures to enhance quality of delivery and outcomes of VET:

- The pathways being investigated by the Productivity Commission Education and Training Workforce Study to maintain practitioners’ vocational currency are potentially valuable
- The hybrid of knowledge-based and competence-based units proposed by Innovation & Business Skills Australia is appropriate to upper level qualifications, which normally lead people towards a higher level qualification
- Skills sets should be available for and at AQF level II. These provide opportunities for learners to become familiar with and acquire appropriate skills as part of the completion of qualifications
- A VET regulator should be responsible for moderating assessments - with involvement in the process of objective third parties, such as ISCs, with stakeholder engagement on a limited sampling approach to assist where there are complaints of assessment quality.

5. Re: Participation and completion

Low qualification completion rates in VET do not necessarily indicate a systemic failure nor indicate low productivity levels of the workforce. Low completion rates are often indicative of learners gaining enough skills to progress to a new job prior to a full qualification being obtained. In other cases enrolment was always for only some parts of the qualification, but the system only records enrolment against a whole qualification. This indicates that greater emphasis should be placed on identifying the precise intent and needs of clients and providing the means to encourage and assist them to progress through the system to achieve their employment goals and as well as their educational goals, and to recognise the difference between the two.

6. Re: LLN as fundamental skills

LLN assistance models should be built into competency based training delivery wherever possible.. This applies especially when a larger group of learners with LLN needs is uncovered in a workplace

setting, i.e. employed at one workplace. These services need to be offered by specialists with appropriate expertise working with ordinary competency based trainers.

7. Re: Funding mechanisms

Future funding models need to be based on relevant studies to ensure effective balance of multiple funding mechanisms. Future funding mechanisms also needs to recognise the importance of industry's contribution to skill development via enterprise skill development activities carried out by employers. It will be important that assessment of eligibility for funding be based on analysis of the actual cost of provision training delivery. There should not be a sense of a 'one size fits all' approach which would result in a lack of balance and a lack of understanding of the diversity in cost of delivering a range of specifically targeted programmes.

Improving the VET experience

Section B. Comment and rationale

Workforce development

Should a VET role in workforce development be acknowledged and valued as a core function?

As professionals commonly acknowledge, workforce development is a complex concept and involves a wide range of specific activities, approaches, services and ultimately, funding resources to run the process.

Integrating the strategic elements and actions of all these components into the RTOs' workload will require significant investment in building new approaches and new skills, placing additional pressure on RTOs. It is arguable that this role is actually larger than training delivery and this has implications on placing responsibility for this outcome onto RTOs.

Where the VET system necessities wash through to training delivery and RTOs, there is the risk that a workforce development mandate for RTOs will leave them ill equipped for the implementation challenges. This includes lifting and maintaining professional performances, showing responsiveness to the Productivity Commission Education and Training Workforce Study concerns, addressing the issue of an ageing VET workforce. This could result in inefficient adoption of mechanisms and uncertainty as to whether they would be able to adjust the current structures to deliver high quality standards for both roles, being training delivery and workforce development advice.

In addition, workforce development is less about individual learning and more about taking an enterprise-wide approach. If this role is to become a core function for RTOs, the training providers will normally tend to look at workforce development from a training delivery perspective, yet industry needs assistance and support to from a broader workforce development perspective as distinct from a training perspective.

ForestWorks does not support the idea of allocating to RTOs an extensive workforce development role. ForestWorks believes that this role should be carried out by an external, already specialised body, which works in partnership with organisations such as Enterprise Connect. These external specialist structures could be, for example, the ISCs. ForestWorks supports a pathway approach whereby clear standards and responsibilities between organisations (such as that currently in place between ISCs and RTOs) are put into place. Where this role can legitimately be taken on by individual RTOs, the funding to support this should be accessible from this structure.

ISCs already have frameworks and in many cases, expertise, for identifying the needs of enterprises at a workplace level. They also have standards in place, good practice models and established relationships in collaborating with industry and RTOs to meet these needs. Within this environment, RTOs have

played an important role in providing training solutions, but workforce development processes would require further communication with and cooperation from all parties involved.

RTOs are, in our experience, not consistently equipped for the requirements of workforce development and therefore, a mandate in this area can not become a feasible option.

ForestWorks recently completed a four year DEEWR funded Skills Enhancement and Training Project (SET). Two key lessons learnt in this project are described below.

1: Workforce Development is a Key to Success

Ongoing workforce development is an essential activity by an enterprise to maintain competitiveness and the process involves participation of multiple stakeholders from a skill ecosystem. To manage the process effectively, enterprises and the industry need to have access to resources that support them. The SET project showed that enterprises require support in increasing capacity for communication, knowledge, learning, trust and collaboration in order to reduce the barriers between the three major partners of the skill ecosystem.

2: Workforce Development Activities Need to be based on Sound Business Cases

A business case needs to exist for each of the three partners of the system to engage in workforce development activities.

At an enterprise, workforce development activities are driven by confidence to invest in the business, including its people. With this confidence, enterprises can allocate and use resources to support orderly and effective workforce development.

An RTO is able to provide training delivery only when a business case for training delivery exists. This requires consistent demand and volume of students, with costs able to be recovered to maintain viability.

Government expects value for money and seeks to accrue benefits for broader society through skills, training and workforce development when these are funded largely via the taxpayer.

Workplace-based delivery

What improvements or alternatives to existing worker traineeships could be considered to support the training of employees in the workplace?

Formal skills in the forest and timber products industry are, to a very large extent, acquired through “planned skills” workplace-based delivery models, mainly because of the highly sector-specific skills required by this industry and its dependence on the regional workforce.

To increase the support of workplace training within this industry, and similar industries, ForestWorks considers that:

- The condition of being at least three months employed in a particular workplace, to actually become eligible for funding for training delivery, needs to be removed. Employees should get access to funding and training as soon as they commence employment;
- The units of competency need to undergo a sustained revision to adjust to the future needs;
- The current barriers, which work against the concept of automatic workplace training/delivery need to be addressed.

A series of factors have been identified that impede the delivery of workplace-based training or industry access to it. These impediments, together with possible solutions, are summarised below:

- Critical mass of trainees –the key argument for a business case for any training provider, especially private RTOs to deliver training. This can be challenging to achieve, particularly where regional, high cost and highly sector-specific skills are required.

SOLUTION:

1. Develop and use mechanisms for promoting industry-wide recognition and the benefits of having formally trained employees to stimulate the demand for training;
2. Offer flexible and contextualised workplace training delivery and provide sufficient system and funding flexibility to make such delivery as simple as possible to implement;
3. Support independent coordinating bodies that are able to drive multi-stakeholder training solutions by creating partnerships involving more than one workplace/employer and one or more RTOs. ISCs, already active in this role, focus on building relationships and creating interconnectivity on all related fronts: within industry, among enterprises, between enterprises and training providers and among training providers themselves.

- The cost of training delivery versus the amount of funding available to the provider – for instance, the forest and timber products industry has generally high training costs than the funds available for delivery and the relatively low total volume of funding.

SOLUTION:

1. Establish new or retain existing co-funding systems or schemes that include government and industry funds to ensure that sufficient and equitable funding is available.
2. Qualifications (and units of competency) should be funded based on analysis of the actual cost, not on one size fits all approaches.

- Access to government funding by public providers is normally conditional upon high volumes of qualification uptake - this often results in RTOs with a focus on high volume, low cost, classroom-based delivery receiving disproportionately high levels of funding. For this industry and similar industries, qualification completion is an inappropriate performance measure and as has been

pointed out more generally by Industry Skills Councils, is not in and of itself a guarantee of productivity improvements.

SOLUTION:

Funding should be linked to provider performance and its underlying contribution to supporting regional economic and community development. The COAG's current outcome-based KPIs capture largely this information.

Funding mechanisms should also take account of workplace training and assessment systems where workplaces deliver job-relevant nationally recognised competencies (with attendant quality processes), auspiced through RTOs. These industries/employers undertake ongoing workforce planning and minimise skill shortages by taking responsibility for developing their workforce. In so doing, they incur considerable costs for training delivery, resource development, professional development of training-related personnel, and administration.

How can VET practitioners best deliver up to date workplace knowledge or experience, especially for campus-based learners who have limited or no knowledge of their field?

To offset the gaps in the competency based skills for campus-based learners, ForestWorks suggests the following measures:

1. Training packages allow for Certificate I and II be institution-based but Certificate III needs to be based on workplace training and skills development;
2. The concept of work placement needs to be embedded in competency standards and within training packages as part of achieving competency based skills (especially for Cert III and above);

In the event that an industry is unable to respond to this option (for example, where workplace access may be difficult to achieve) resulting in RTOs being unable to deliver at the required standards, the following additional measures should be available:

3. Investment in RTOs which have active partnerships with industry and are able to negotiate programs which support workplace training for campus-based learners;
4. Whenever practical, facilitate and use simulated environments which are approved by industry.

Lifting performance

Marketing of apprenticeships and traineeships

The Skills Australia discussion paper points out briefly that the terms “apprenticeship” and “traineeship”, create confusion among clients of the VET system.

ForestWorks recognises that if this uncertainty remains, the VET system cannot be fully utilised, regardless of whether the workplace training delivery and apprenticeship systems are to be revitalised or not.

The recent use of the term “new apprenticeship” to describe both apprenticeship and traineeship models is not supported by ForestWorks. The two VET models have distinct attributes: for instance, traineeship offers multiple pathways (job-based pathways, institutional pathways) to a qualification whereas apprenticeship offers a single pathway. ForestWorks suggests that the scope, values, convergences and tangible differences between the two modalities have to be clearly defined and conveyed to industry and students.

Mechanisms to achieve effective communication about the two systems could include:

- A process for reviewing the commonality between the two systems as well as the differences in the way these services are offered and the nominal duration of the programs;
- Appropriate and differentiated marketing practices to publicise the value of each model.

Quality of delivery and outcomes

What strategies should be used to maintain practitioners’ vocational currency and to support continuing development of teaching and assessment skills?

ForestWorks recommends that pathways being investigated by the Productivity Commission Education and Training Workforce Study be considered.

Should we go down the track of broad-based skills and knowledge rather than competency-based qualification structures?

ForestWorks supports in part the model proposed by Innovation & Business Skills Australia for higher level VET qualifications, which involves a hybrid of knowledge-based and competence-based units. With the provision that VET system has competency for this capacity, this model would fit very well to upper level qualifications which normally lead people towards a profession/career. Conversely, the hybrid model would minimally benefit learners aiming to qualify for a specific job.

Should there be more emphasis on skills sets? - should they be widely available, or only for those who already have a level III qualification?

VET undertakes a role to encourage the uptake of qualifications and skills, not one or the other. Skill sets provide an opportunity for a learner to engage with and achieve a successful cluster of skills prior to the completion of a qualification. ForestWorks considers skills sets should be available for and from AQFII.

What is the best way to ensure confidence in assessment? Should external moderation be mandated and could this be a role for the Industry Skill Councils?

ForestWorks believes that the mechanism should be as follows: the new VET regulator is charged with an approach of sampling those undertaking the assessment; together with a leading, rather than moderating role in the process to be managed by third parties, such as ISCs, and with stakeholder agreement. It is recommended that this role be applied where there are consistent complaints in regard to qualification assessments and a moderation exercise assists with this. Care is required to not add a further cost impost on to workplaces in conducting these assessments.

Do COAG's current KPIs (listed below) measure the most important VET outcomes? If not, how should they change or what should be measured?

- *proportion of the working-age population at literacy level one, two or three*
- *proportion of 20- to 64-year-olds who do not have qualifications at or above a Certificate III*
- *proportion of graduates employed after completing training, by previous employment status*
- *percentage of graduates with improved employment status after training*
- *number of hard-to-fill vacancies*
- *proportion of people employed at or above the level of their qualification, by field of study.*

Basically, COAG's current KPIs capture most, but not all important VET outcomes. Employer satisfaction needs to be measured.

For the last indicator listed above, it may be more appropriate to expand the scope to include the work environment rather than limiting it to the field of study.

ForestWorks supports a means by which those seeking to have skills gained and recognised without a planned intent of a qualification are measured to support a more realistic assessment of skills meeting productivity demands.

Participation and completions

ForestWorks learning about participation in VET

ForestWorks has learnt from its industry workforce development projects and through consultation with various communities that, for many people, VET learning is a pathway not a destination.

For many people, skills development, learning and training can be a challenging experience. However learning for work is often a pathway to a new job, self satisfaction and sense of achievement. When a

new job is secured or acceptable standards of living are achieved, formal learning may stop or be interrupted. With the motivation of a new job and a better life, formal skill development efforts by individuals are drivers to reengage with formal learning. ForestWorks found that training for training's sake, without a job in mind, is less supported by many of our stakeholders; training is usually supported when it is supported by the potential to secure employment. This approach appears to be quite realistic - training without real practice, in real conditions, develops skills that quickly dissipate and become redundant.

Should we be worried about low qualification completions rates in VET?

Low qualification completion rates in VET do not necessarily measure a failure in the system or indicate a low productivity level of the workforce at national level. It may mean that more emphasis should be placed on identifying the client intent; and providing the means to encourage and assist them to progress through the system to achieve their educational or work related goals.

Equally, it is important that those operating within the system recognise that the AQF is an arbitrary and unitary construct that recognises a framework for qualifications. In that context, qualifications cannot always be exactly reflective of the realities of workplaces, occupations and skills development pathways.

Are qualification completions an appropriate success indicator?

When reported in the context of the forest and timber products industry, qualification completions as a single indicator do not represent an appropriate performance measure.

Formal skills in this industry are generally acquired through workplace-based and "planned skills" delivery training. Therefore, completion of a whole qualification, whilst valued in the forest and timber products industry, is best supported with the acquisition or recognition of skills that can be at unit by unit completion and often in small clusters reflective of skills sets relevant to the job.

Language, Literacy and Numeracy (LLN)

What changes in VET products, practices, institutions, or funding need to take place to lift the level of foundation skills?

As in many other sectors, LLN has been recognised as a critical issue for the forest and timber products industry. ForestWorks has been engaged in and is committed to finding solutions to this largely socio-economic barrier.

LLN is an ongoing prerequisite throughout life and the lack of adequate LLN skills at a workplace impacts directly upon the enterprise's operational environment and productivity. This line of thought suggests

that in the first instance, there could be an enterprise and RTO partnership responsibility to identify employees with LLN gaps and provide opportunities for relevant skill acquisition to occur. Identification of skill gaps, as with any other skill gap, should not be used as a barrier to employment or ongoing career and learning opportunities. Financial incentives could be part of the process to stimulate employers' involvement.

As the VET sector considers and/or participates in a pro-active role in this area, ForestWorks believes that VET must be confident that the system has the right infrastructure to assist trainees with LLN needs.

Skilling adults with LLN has different levels of complexity and ForestWorks, recognises that LLN assistance models should complement the actual training services, especially when a larger group of learners with LLN needs is targeted; and these services need to be offered by specialists.

There must also be a funding signal that supports RTO identification of LLN needs in an individual or with group learning. Learner demand that drives the learning environment and funding response is currently not in place.

An appropriate infrastructure could be a network of internal specialist staff; or it could be a structured connection with community education and other related services. Whatever the approach, LLN experts have to be accessible and prepared to offer personalised support and mentoring in diverse environments.

Establishing strong foundations for growth

Funding sources for growth

What is the best means of raising revenue to expand the system? What are your thoughts on—raising tuition fees, with income-contingent loans for higher cost, higher-level programs for individuals; increased co-funding of programs for employers; the advantages or disadvantages of an industry levy to partly fund training?

The VET system is already severely underfunded and improvements to the VET experience and the lift of performances require additional investment. The solution for raising revenues for VET education could only be to rationally increase the contribution from governments, enterprises and individuals. The approach would be to balance multiple funding mechanisms. As suggested by ISCs cross submission, this can be achieved via prior studies and analysis into the existing VET funding models that aim to provide specific recommendations.

Whatever the future funding model will be, ForestWorks recommends the following:

- Federal and state government funding should be allocated based on consideration of the cost of qualifications (including units of competency), which is not uniform and will be varied across sectors. Highly specialised skills are normally costlier to deliver and achieve, particularly within low volume and geographically dispersed environments.
- The funding models for skill shortages of strategic importance to the economy should recognise, in the first instance, the critical skills in shortage and then the volumes.

Should there be an “enterprise-responsive” funding stream that is co-funded by government and enterprises to support enterprise-directed workforce development activities? If so, what criteria should be applied to receive funding?

Enterprise Based Productivity Places Program (EBPPP) has been a successful model. For similar future models, a criterion for receiving such funding needs to include a rule which accounts for and recognises enterprise contribution.