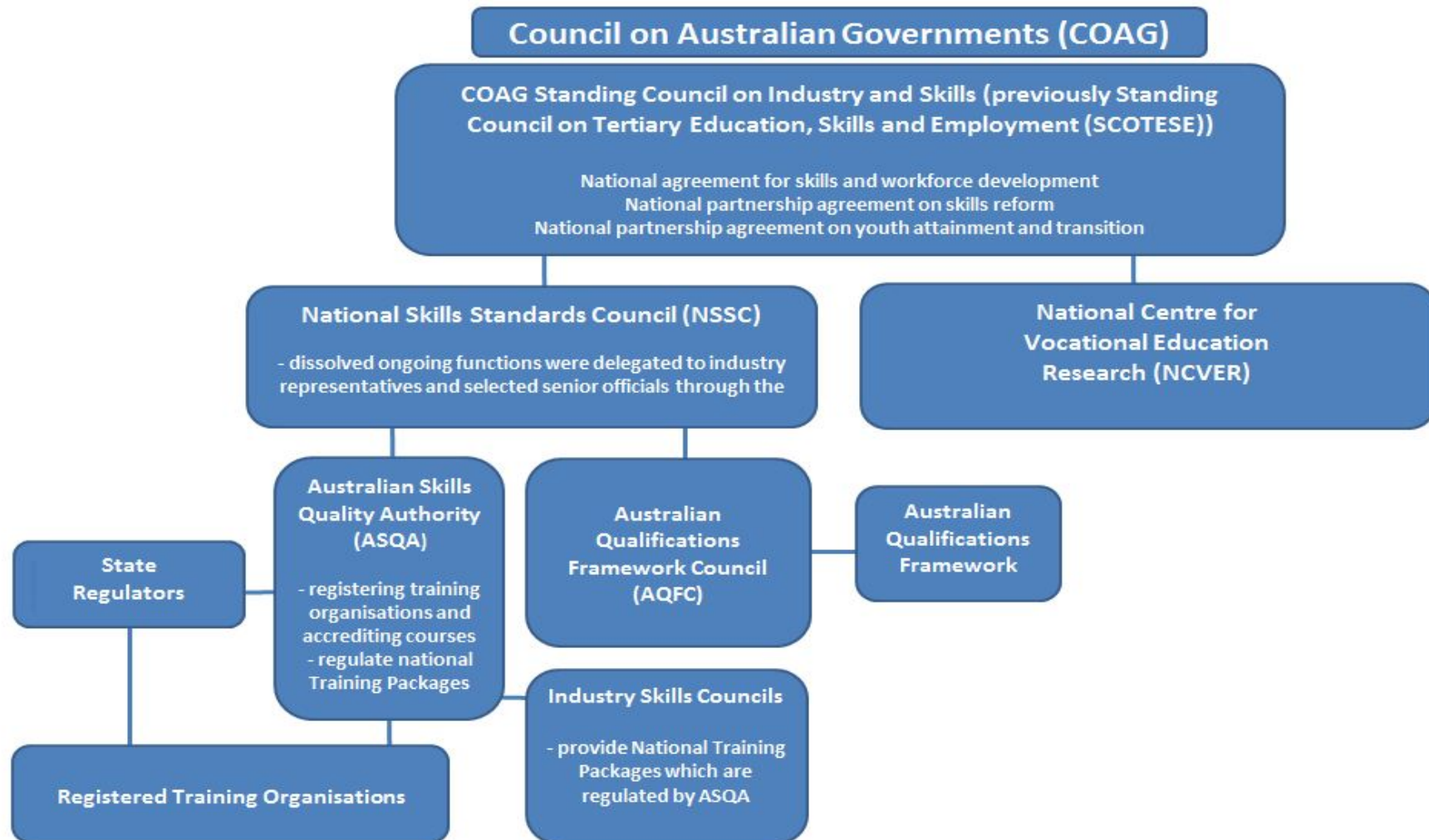


Commonwealth involvement in Vocational Education and Training

- 2.1 This chapter provides an overview of the Commonwealth's involvement in the Vocational Education and Training (VET) sector. The arrangements outlined relate to the VET sector, of which the TAFE sector is a subset, but do not directly govern or regulate the TAFE sector.
- 2.2 The TAFE sector is the largest education and training provider in Australia. There are 61 government-owned TAFE institutes and university TAFE divisions.
- 2.3 Australia's TAFE institute network comprises more than 1 000 campuses located across central business districts, suburban, regional and remote locations, with many institutes offering further services throughout the Asia-Pacific and other offshore regions.
- 2.4 The regulation and governance of individual TAFE institutes is a matter determined by state and territory legislation. The Committee notes that the states and territories have never moved toward national standards with regard to TAFE regulation and governance.
- 2.5 While the Commonwealth has no direct administrative role in TAFE, it does exercise a regulatory function through the Australian Skills Quality Authority (ASQA) (discussed below) by registering training organisations and accrediting courses. Figure 2.1 outlines Commonwealth involvement in VET.

Figure 2.1 Commonwealth involvement in Vocational Education and Training



COAG and COAG agreements

- 2.6 Council of Australian Governments (COAG) agreements provide the foundation for Commonwealth involvement in VET, and through it, the operability of the TAFE sector.¹ These agreements provide for the Commonwealth, in conjunction with states and territories, to fund the VET sector for the provision of specified outcomes. TAFE is not directly funded; rather, Commonwealth funding is provided through states and territories.
- 2.7 Until December 2013 the COAG Standing Council on Tertiary Education, Skills and Employment (SCOTESE), which commenced in 2011, functioned as the COAG body focusing on workforce needs, educational attainment and skills.² In December 2013 COAG considered its arrangements and announced a new Industry and Skills Council to replace SCOTESE.³ At its first meeting in April 2014 the Industry and Skills Council agreed on its priorities for VET reform; these are set out below.

Objectives and priorities for VET reform

- 2.8 The COAG Industry and Skills Council have agreed to six objectives for the VET system. The objectives will shape VET reform to support the current and future skills needs of Australian businesses. These are:
- A national VET system which is governed effectively with clear roles and responsibilities for industry, the Commonwealth and the states and territories
 - A national system of streamlined industry-defined qualifications that is able to respond flexibly to major national and state priorities and emerging areas of skills need

1 The agreements are the *National Agreement for Skills and Workforce Development*, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf> viewed 24 October 2014; the *National Partnership Agreement on Skills Reform*, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_partnership.pdf> viewed 24 October 2014; and the *National Partnership Agreement on Youth Attainment and Transitions*, <http://www.federalfinancialrelations.gov.au/content/npa/skills/youth_attainment_transitions/national_partnership.pdf> viewed 24 October 2014.

2 Council of Australian Governments (COAG) Standing Council on Tertiary Education, Skills and Employment (SCOTESE), *Terms of Reference*, <http://www.scotese.natase.gov.au/_data/assets/pdf_file/0003/61239/SCOTESE_Terms_of_Reference_endorsed_by_COAG.pdf> viewed 24 October 2014.

3 National Advisory for Tertiary Education, Skills and Employment, 'COAG Industry & Skills Council', <<http://www.natase.gov.au/cisc>> viewed 24 October 2014.

- Trade apprenticeships that are appropriately valued and utilised as a career pathway
- A modern and responsive national regulatory system that applies a risk-management approach and supports a competitive and well-functioning market
- Informed consumers who have access to the information they need to make choices about providers and training that meets their needs
- Targeted and efficient government funding that considers inconsistencies between jurisdictions or disruption to the fee-for-service market.⁴

2.9 Ministers agreed on three key priorities for action:

- examine the standards for providers and regulators to ensure they better recognise the different level of risk posed by different providers, enable the regulators to deal more effectively with poor quality in the sector to improve confidence, and meet the Australian Government's deregulation objectives;
- reduce the burden on the VET sector arising from the constant updates to training packages; and
- ensure that industry is involved in policy development and oversight of the performance of the VET sector and to streamline governance arrangements and committees.⁵

2.10 In June 2014 the Hon Ian Macfarlane MP, Minister for Industry, released revised Registered Training Operator (RTO) and VET Regulator Standards for public consultation. As at August 2014 submissions had closed, and:

[T]he VET Reform Taskforce is currently analysing all comments and submissions received on the draft revised standards. During August the Taskforce will undertake further redrafting of the standards with the view to workshopping these with the states and territories and the regulators in preparation for finalising the standards for consideration by the COAG Industry and Skills Council. It is intended that the revised standards will come into effect from 1 January 2015.⁶

4 Australian Government, Department of Industry, 'VET Reform Vision' <<http://www.vetreform.industry.gov.au/vet-reform-vision>> viewed 24 October 2014.

5 Australian Government, Department of Industry, 'VET Reform Vision' <<http://www.vetreform.industry.gov.au/vet-reform-vision>> viewed 24 October 2014.

6 Australian Government, Department of Industry 'Vocational Education and Training Reform', 'Draft revised RTO and VET Regulator Standards' <<http://www.vetreform.industry.gov.au/publication/draft-revised-rto-and-vet-regulator-standards>> viewed 4 September 2014.

COAG agreements

- 2.11 The COAG agreements outlined below provide the basis for Commonwealth involvement in the TAFE sector.

Intergovernmental Agreement on Federal Financial Relations

- 2.12 Under the COAG Intergovernmental Agreement on Federal Financial Relations (IGA), the Commonwealth supports the states' efforts in delivering services in the major service delivery sectors through National Specific Purpose Payments (SPP). Of the four National SPPs the National Skills and Workforce Development SPP has a direct impact on the TAFE sector.
- 2.13 The states are required to spend each National SPP in the relevant sector. The IGA specifies that each National SPP is ongoing and, from 1 July 2010, is indexed annually by a growth factor specified in the IGA.

National Agreement for Skills and Workforce Development

- 2.14 The National Agreement for Skills and Workforce Development (NASWD), formulated as part of the IGA, defines the objectives, outcomes, outputs and performance measures and the roles and responsibilities that guide Commonwealth, state and territory governments in the delivery of services in the context of skills and workforce development.
- 2.15 The objective of the Agreement is a VET system that:
- ...delivers a productive and highly skilled workforce and which 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 the achievement of increased rates of workforce participation.⁷
- 2.16 The outcomes that the NASWD seeks to contribute to are:
- the skill levels of the working age population are increased to meet the changing needs of the economy;
 - all working age Australians have the opportunity to develop skills;

7 COAG, *National Agreement for Skills and Workforce Development*, Clause 18, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf> viewed 24 October 2014.

- training delivers the skills and capabilities needed for improved economic participation for working age Australians.⁸
- 2.17 The Agreement contains outcomes that ‘are ambitious with targets that are long term (out to 2020), national and aspirational.’⁹ The targets are to:
- halve the proportion of Australians nationally aged 20-64 without qualifications at Certificate III level and above between 2009 and 2020;
 - double the number of higher level qualification completions (diploma and advanced diploma) nationally between 2009 and 2020.¹⁰
- 2.18 Two National Partnerships support NASWD outcomes – the National Partnership Agreement on Skills Reform, and the National Partnership Agreement on Youth Attainment and Transitions. These are discussed further below.
- 2.19 Progress against the agreed objectives and outcomes of the NASWD is reported in the annual National Agreement for Skills and Workforce Development performance report, which is discussed in Chapter 3.

National Partnership Agreement on Skills Reform

- 2.20 The National Partnership Agreement on Skills Reform contains four outcomes, with key concepts bolded:
- **more accessible training** for working age Australians and, in particular, a **more equitable training system**, which provides greater opportunities for participation in education and training;
 - **a more transparent VET sector**, which enables better understanding of the VET activity that is occurring in each jurisdiction;
 - **a higher quality VET sector**, which delivers learning experiences and qualifications that are relevant to individuals, employers and industry; and
 - **a more efficient VET sector**, which is **responsive** to the needs of students, employers and industry.¹¹

8 COAG, *National Agreement for Skills and Workforce Development*, Clause 19, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf> viewed 24 October 2014.

9 COAG, *National Agreement for Skills and Workforce Development*, Clause 22, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf> viewed 24 October 2014.

10 COAG, *National Agreement for Skills and Workforce Development*, Clause 22, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf> viewed 24 October 2014.

2.21 Within the Agreement the Commonwealth agrees to the following roles and responsibilities:

- monitoring and assessing the performance in the delivery of reforms to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe;
- providing a financial contribution and contributing to the achievement of the outcomes of this agreement through Commonwealth Own Purpose programs;
- reviewing operational requirements for income contingent loans (ICLs) to streamline administration requirements, and making necessary changes to legislation, guidelines and administrative processes; and
- leading the development and implementation of key national initiatives, including the national *My Skills* website and the Unique Student Identifier (USI) in VET.¹²

National Partnership Agreement on Youth Attainment and Transitions

2.22 The National Partnership Agreement on Youth Attainment and Transitions embodies a commitment by state, territory and Commonwealth governments to strengthen the education and skills outcomes of young Australians. As part of the 2013-14 Federal Budget, the agreement has been funded 12 months beyond its initial expiry of 31 December 2013.¹³ Its main objectives are to:

- work towards achieving improvements in high level outcomes for schooling agreed by COAG in the National Education Agreement and in the 2008 National Declaration on Educational Goals for Young Australians;
- work towards increasing the qualifications and skill level of the Australian population as agreed by COAG in the National Agreement for Skills and Workforce Development;
- achieve improvements in the numbers of young Australians making successful transitions from schooling into further education, training or employment;
- work collaboratively with the non-government school, training, business and community sectors to improve the support provided to young Australians to increase educational outcomes, attainment and improve transitions to further

11 COAG, *National Partnership Agreement on Skills Reform*, Clause 21, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_partnership.pdf> viewed 24 October 2014 (emphasis in original).

12 COAG, *National Partnership Agreement on Skills Reform*, Clause 34, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_partnership.pdf> viewed 24 October 2014.

13 The Budget, 2013-14, <http://www.budget.gov.au/2013-14/content/bp2/html/bp2_expense-09.htm> viewed 24 October 2014.

education, training or employment, with particular focus on 15 to 24 year olds and young people at risk; and

- develop a skilled and work ready Indigenous workforce by increasing the educational attainment and engagement of young Indigenous Australians.¹⁴

Commonwealth funding for VET

2.23 The COAG framework provides for agreed funding from the Commonwealth for VET. As noted above, TAFE is not directly funded by the Commonwealth; rather, Commonwealth funding is provided through states and territories.

2.24 From 1 July 2007 to 30 June 2013, the Australian Government provided \$9.3 billion in VET funding to the states and territories for delivery of training, including funds for TAFE and other providers of subsidised training. The 2014–15 Federal Budget estimated the 2013–14 funding at \$1.7 billion.¹⁵

2.25 All parties to the NASWD have agreed to:

... the quarantining of the National Training System Commonwealth Own Purpose Expenditure (NTS COPE) from the NSPP each year. The amount is specified in the relevant Commonwealth Government Portfolio Budget Statement which in 2011-12 was \$47.201 million, and is indexed annually.¹⁶

2.26 Under the National Partnership Agreement on Skills Reform '[T]he Commonwealth will provide a total financial contribution to the States of up to \$1.75 billion over the 2012-13 to 2016-17 period'¹⁷ and:

The total financial contribution will be allocated to the States on the basis of population.... 65 per cent of the funding will be provided on the basis of delivery of structural reforms, with the

14 COAG, *National Partnership Agreement on Youth Attainment and Transitions*, Clause 15, <http://www.federalfinancialrelations.gov.au/content/npa/skills/youth_attainment_transitions/national_partnership.pdf> viewed 24 October 2014.

15 Australian Government, Department of Industry, *Submission 186.1*, p. 7.

16 COAG, *National Agreement for Skills and Workforce Development*, Clause 15, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_agreement.pdf> viewed 24 October 2014.

17 COAG, *National Partnership Agreement on Skills Reform*, Clause 44, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_partnership.pdf> viewed 24 October 2014.

remaining 35 per cent tied to performance in achieving training outcomes.¹⁸

2.27 Over the life of the National Partnership Agreement on Youth Attainment 'up to \$623 million will be allocated to drive reform delivering youth careers, transitions and support.'¹⁹

2.28 The Australian Government Department of Industry noted that funding for VET is provided to the states and territories on an outcomes model:

The current construct under COAG arrangements under the Federal Financial Relations Act is that it is an outcomes driven model. There is agreement reached with states and territories that these are the areas of priorities, these are the areas of reform, here are the performance measures, and that is tracked against that performance. There is some capacity to withhold or require money back, but it has not been exercised. I would have to clarify that one. It is essentially an outcomes based model.²⁰

2.29 The Commonwealth also provides funding for Industry Skills Councils (ISCs) which is discussed further below.

Commonwealth funding for VET students—VET FEE-HELP

2.30 VET FEE-HELP is a Commonwealth Government loan scheme to assist eligible students studying higher level VET qualifications (those at the diploma level and above) with the cost of their tuition fees.²¹ VET FEE-HELP can be used to pay all or part of an eligible student's tuition fees, but cannot be used for additional study costs such as accommodation or text books.²²

18 COAG, *National Partnership Agreement on Skills Reform*, Clause 45, <http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_partnership.pdf> viewed 24 October 2014.

19 COAG, *National Partnership Agreement on Youth Attainment and Transitions*, Clause 75, <http://www.federalfinancialrelations.gov.au/content/npa/skills/youth_attainment_transitions/national_partnership.pdf> viewed 24 October 2014.

20 Mr Craig Robertson, Head of Division, Skills Division, Australian Government Department of Industry, *Committee Hansard*, Canberra, 6 June 2014, p. 5.

21 Australian Government, Study Assist, 'Certificate IV trial', <<http://studyassist.gov.au/sites/studyassist/helppayingmyfees/vet-fee-help/pages/certificate%20iv%20trial>> viewed 24 October 2014.

22 Australian Government, Study Assist, 'VET FEE-HELP', <<http://studyassist.gov.au/sites/studyassist/helppayingmyfees/vet-fee-help/pages/vet-fee-help>> viewed 24 October 2014.

- 2.31 A trial to extend VET FEE-HELP income contingent loans to certain subsidised Certificate IV qualifications commenced on 13 January 2014 and will continue until 31 December 2016.²³
- 2.32 VET FEE-HELP operates differently across jurisdictions:
- Only Victorian students are able to access the ‘study now and pay later’ arrangements for government subsidised diplomas and advanced diplomas. To date more than 22 000 students in Victoria have taken up these loans to enable them to study.
 - The Commonwealth and South Australian Governments recently announced that South Australian students will have similar access in the near future, subject to the passage of legislation.
 - Students in other parts of Australian can only access income-contingent loans when they enrol in certain full fee paying diploma and advanced diploma courses.²⁴

Regulation and policy

- 2.33 The COAG-related agreements outlined above require agencies to monitor and regulate outcomes. The regulation and governance of individual TAFE institutes is a matter determined by state and territory legislation and is independent of COAG.
- 2.34 The following bodies and policy frameworks operate in areas in which the Commonwealth has involvement. Their work may feed into, and be used by, the Commonwealth and states/territories in relation to the national agreements, but they were not established specifically in support of the agreements.

Industry and Skills Council Advisory Committee

- 2.35 In April 2014 the National Skills Standards Council (NSSC) was dissolved and its ongoing functions were delegated to industry representatives and

23 Australian Government, Study Assist, ‘Certificate IV trial’, <<http://studyassist.gov.au/sites/studyassist/helppayingmyfees/vet-fee-help/pages/certificate%20iv%20trial>> viewed 24 October 2014.

24 Australian Government, Department of Prime Minister and Cabinet, ‘Skills for All Australians’ <http://www.dpmc.gov.au/publications/skills_for_all_australians/chapter4_reduced_upfront_costs_for_students.html> viewed 24 October 2014.

- selected senior officials through the Industry and Skills Council Advisory Committee. The Committee was to commence functions in mid-2014.²⁵
- 2.36 The Commonwealth has indicated that it will consult with the states and territories on the composition and role of the new Industry and Skills Council Advisory Committee.²⁶
- 2.37 Prior to its dissolution the NSSC's key functions were to:
- Develop and maintain the national standards for regulation of vocational education and training, for approval by SCOTESE.
 - Provide advice to SCOTESE on the development and implementation of the standards applying to vocational education and training.
 - Provide information, through SCOTESE, to the regulators of vocational education and training on the implementation and interpretation of the national standards and on issues of quality standards generally in the vocational education and training sector.
 - Inform the vocational education and training sector on the national standards and any changes to the standards.
 - Advise SCOTESE on the operation of the regulators of vocational education and training.
 - Endorse national Training Packages as prepared by Industry Skills Councils.
 - Approve Tuition Assurance Schemes under the standards for the regulation of VET.²⁷
- 2.38 The NSSC also had the following responsibilities:
- developing and maintaining the national standards that regulate the vocational education and training sector for approval by SCOTESE, and advising SCOTESE of any issues relating to the standards and their implementation.
 - providing information to the regulators of vocational education and training, through SCOTESE, on interpreting and implementing the national standards. This supports effective operation and regulation by regulators.
 - providing information to the vocational education and training sector on the national standards and any changes to these standards.

25 Australian Government, Department of Industry, 'Establishment of the Industry and Skills Council Advisory Committee', <<http://vetreform.industry.gov.au/news/establishment-industry-and-skills-council-advisory-committee>> viewed 24 October 2014.

26 Australian Government, Department of Industry 'Vocational Education and Training Reform', 'Establishment of the Industry and Skills Council Advisory Committee', <<http://vetreform.industry.gov.au/news/establishment-industry-and-skills-council-advisory-committee>> viewed 24 October 2014.

27 National Skills Standards Council (NSSC), 'Functions' <<http://www.nssc.natese.gov.au/about/functions>> viewed 24 October 2014.

- advising SCOTese on the operation of the regulators of vocational education and training, to ensure the consistency and quality of the implementation of the national standards.
 - endorsing Training Packages for VET providers to use with their students, developing related policy, and overseeing quality assurance activities.
 - Tuition Assurance Schemes under the standards for the regulation of Registered Training Organisations (RTOs). The Australian Student Tuition Assurance Scheme (ASTAS) ensures that any Australian student displaced from a course, due to a provider's inability to continue the course, is relocated efficiently and with minimal disruption to a comparable course with another member or approved provider.²⁸
- 2.39 The NSSC maintained operational independence from ASQA and regulators of vocational education and training in non-referring states. This separation of standard-setting from the regulatory function was designed to maximise the independence of the respective bodies, improve probity and minimise conflicts of interest.

Australian Skills Quality Authority

- 2.40 The National Vocational Education and Training Regulator Act 2011 (Cth) established a national approach to regulation of the VET sector in Australia.²⁹ As part of this national approach ASQA has responsibility for registering training organisations and accrediting courses. Participating jurisdictions are New South Wales, Queensland, Northern Territory, South Australia, Tasmania and the Australian Capital Territory. Victoria and Western Australia are not participating jurisdictions.³⁰
- 2.41 ASQA has jurisdiction over all RTOs, except those operating solely in Victoria and Western Australia that do not offer services to overseas students. These providers are regulated by the Victorian Registration and Qualifications Authority if operating in Victoria and the Training Accreditation Council if operating in Western Australia.
- 2.42 If a training organisation operates (or intends to operate) in a participating jurisdiction, or otherwise qualifies under the national scheme, ASQA is

28 For more information on the Australian Tuition Assurance Scheme see Australian Council for Private Education and Training 'Services, Australian Tuitions Assurance Scheme' <<http://www.acpet.edu.au/services/astas/>> viewed 24 October 2014.

29 Section 5 of the Act gives a definition of a referring state. See Australian Government, ComLaw, 'National Vocational Education and Training Regulator Act 2011', <<http://www.comlaw.gov.au/Details/C2011A00012>> viewed 24 October 2014.

30 Australian Skills Quality Authority (ASQA), 'Agency Overview, Establishment and Legislation', <<http://www.asqa.gov.au/about/agency-overview/establishment-and-legislation.html>> viewed 24 October 2014.

responsible for that organisation's registration and for accrediting its courses.

- 2.43 ASQA regulates courses and training providers to ensure nationally approved quality standards are met. Its functions include:
- registering training providers as 'registered training organisations';
 - registering organisations as Commonwealth Register of Institutions and Courses for Overseas Students providers – providers that can enrol international students;
 - accrediting VET courses; and
 - ensuring that organisations comply with the conditions and standards for registration, including by carrying out compliance audits.³¹
- 2.44 ASQA indicated that it regulates to a 'risk based model' which means that the Authority:
- ... applies proportionate regulatory intervention based on risk assessment. 'Proportionate' intervention means that regulatory focus is concentrated on providers of concern (those that are not delivering quality training outcomes). Similarly, regulatory interventions are minimised for providers that consistently deliver high-quality training outcomes.³²

ASQA's audit processes

- 2.45 One of the most important tools ASQA has as a regulator is its ability to audit. ASQA undertakes two distinct types of audits – registration audits and compliance audits.³³ ASQA stated that its audit process varies depending on the purpose of the audit and the organisation being audited:

The scope and complexity of an audit varies according to its purpose; the risk rating of the organisation; and the training areas in which it operates. For example, an audit associated with a change of scope application from a low risk organisation relating to a low risk training area would not, in most circumstances, involve a wide ranging and complex audit. Whereas, an audit that results from a serious accident for example - such as ASQA's audit

31 ASQA, 'Functions, Visions and Values', <<http://www.asqa.gov.au/about/agency-overview/functions,-vision-and-values.html>> viewed 24 October 2014.

32 ASQA, 'How does ASQA regulate', <<http://www.asqa.gov.au/about/how-does-asqa-regulate/how-does-asqa-regulate.html>> viewed 24 October 2014. ASQA, *Submission 190*, p. 5.

33 ASQA, 'VET registration, prepare for an audit' <<http://www.asqa.gov.au/vet-registration/prepare-for-an-audit/prepare-for-an-audit1.html>> viewed 24 October 2014.

of TAFE NSW Western Institute following the death of a student - will necessarily be wide ranging and thorough.³⁴

- 2.46 Registration audits are conducted to ensure that providers are operating (or will operate) effectively within their scope of registration. Registration audits occur when an organisation applies for initial registration as an RTO; in some cases when an RTO applies to renew its registration; and in some cases when an RTO applies to make changes to the scope of its registration. A registration audit will involve a visit to one or more of an RTO's training delivery sites. Each site visit usually takes between one and two days and may vary according to the size and scope of the provider.³⁵
- 2.47 Compliance audits are undertaken to assess providers' ongoing compliance with ASQA's standards. A compliance audit will be conducted if an assessment has determined there is a risk of the provider failing to comply with the relevant standards. Compliance audits are scheduled at ASQA's discretion, with the authority of an ASQA Commissioner. The auditor will discuss with an RTO the most appropriate site/s to visit to conduct the audit. The auditor (or audit team, which may include industry specialists) will examine an RTO's ongoing compliance with the VET Quality Framework. The auditor may also investigate the:
- effectiveness of management systems, delivery strategies and other materials;
 - proposed implementation of delivery strategies meets training package and/or accredited course requirements;
 - suitability of facilities and equipment; and
 - credentials of nominated delivery personnel.³⁶

Review of ASQA

- 2.48 In June 2013 SCOTese commissioned a review of ASQA's current regulatory approach and the efficiency and effectiveness of its operations. The review report, which was released in June 2014, noted that ASQA is a 'relatively new organisation' and that it has:

... a number of proposals in various stages of planning and execution that, when implemented, will support it in enhancing its effectiveness and efficiency.³⁷

34 ASQA, *Submission 190*, p. 6.

35 ASQA, 'VET registration, prepare for an audit' <<http://www.asqa.gov.au/vet-registration/prepare-for-an-audit/prepare-for-an-audit1.html>> viewed 24 October 2014.

36 ASQA, 'VET registration, prepare for an audit' <<http://www.asqa.gov.au/vet-registration/prepare-for-an-audit/prepare-for-an-audit1.html>> viewed 24 October 2014.

37 PricewaterhouseCoopers (PwC), *ASQA process review: final report*, PwC, 2013, p. iii, <<http://www.industry.gov.au/skills/RegulationReformsAndInitiatives/RegulationVET/Documents/ASQAProcessReview-FinalReport.pdf>> viewed 24 October 2014.

2.49 The review noted six main themes in relation to ASQA:

1. ASQA's existing ICT systems do not facilitate the more efficient and effective business processes for the future of ASQA as a regulator.
2. ASQA is constrained by a variety of factors in the regulatory architecture. These factors drive some process inefficiencies that impact its timeliness and transparency of operations.
3. ASQA has evolved its risk model, but requires additional data about the sector and ICT capability to deliver further improvement.
4. A lack of coordination in training package updates issued by ISCs creates unnecessary work for Providers and impacts ASQA's operations.
5. A lack of guidance and clarity about the rules for Standards and training packages is creating unnecessary work for ASQA and Providers.
6. Communications with Providers are not fully effective.³⁸

2.50 The Australian Government has indicated that it 'will work in partnership with ASQA to further enhance its regulatory operations in response to the process review'.³⁹ This is supported.

VET Quality Framework

2.51 The VET Quality Framework is aimed at achieving greater national consistency in the way providers are registered and monitored and in how standards in the VET sector are enforced.⁴⁰

2.52 The VET Quality Framework comprises:

- the Standards for National VET Regulator Registered Training Organisations
- Fit and Proper Person Requirements
- Financial Viability Risk Assessment Requirements
- Data Provision Requirements, and
- the Australian Qualifications Framework.⁴¹

38 PwC, *ASQA process review: final report*, PwC, 2013, pp. iv-vi, <<http://www.industry.gov.au/skills/RegulationReformsAndInitiatives/RegulationVET/Documents/ASQAProcessReview-FinalReport.pdf>> viewed 24 October 2014.

39 Australian Government, Department of Industry, 'VET Reform' 'The Australian Skills Quality Authority Review', <<http://www.vetreform.industry.gov.au/publication/australian-skills-quality-authority-process-review>> viewed 24 October 2014.

40 ASQA, 'National VET Regulation', VET Quality Framework, <<http://www.asqa.gov.au/about-asqa/national-vet-regulation/vet-quality-framework.html>> viewed 24 October 2014.

Australian Qualifications Framework

- 2.53 The Australian Qualifications Framework (AQF) is the national policy for regulated qualifications in Australian education and training. It incorporates the qualifications from each education and training sector into a single comprehensive national qualifications framework.⁴²
- 2.54 ASQA and the state government accrediting authorities in Victoria and Western Australia are responsible for accrediting AQF qualifications and for authorising RTOs to issue AQF qualifications for vocational education and training.⁴³
- 2.55 Industry Skills Councils are responsible for developing AQF qualifications in national Training Packages for endorsement.⁴⁴

Governance of the AQF

- 2.56 The AQF is governed by the Australian Government Department of Education in consultation with the Australian Government Department of Industry and the states and territories. The Education Department's role is to monitor and maintain the AQF, support its users and promote the AQF and its role in Australia's education system. Expert consultative bodies are convened as required to advise ministers on any AQF policy matters which arise.⁴⁵
- 2.57 Prior to these arrangements the AQF was governed by the Australian Qualifications Framework Council (AQFC). The AQFC was disbanded in 2014.

41 ASQA, 'National VET Regulation', VET Quality Framework, <<http://www.asqa.gov.au/about-asqa/national-vet-regulation/vet-quality-framework.html>> viewed 24 October 2014.

42 Australian Qualifications Framework (AQF), *Australian Qualifications Framework 2nd Edition*, <<http://www.aqf.edu.au/wp-content/uploads/2013/05/AQF-2nd-Edition-January-2013.pdf>> viewed 24 October 2014.

43 AQF, *Australian Qualifications Framework 2nd Edition*, <<http://www.aqf.edu.au/wp-content/uploads/2013/05/AQF-2nd-Edition-January-2013.pdf>> p. 21, viewed 24 October 2014.

44 AQF, *Australian Qualifications Framework 2nd Edition*, <<http://www.aqf.edu.au/wp-content/uploads/2013/05/AQF-2nd-Edition-January-2013.pdf>> p. 21, viewed 24 October 2014.

45 AQF, 'AQF Governance', 'Current arrangements' <<http://www.aqf.edu.au/aqf-governance/current-arrangements/>> viewed 24 October 2014.

Australian Qualifications Framework Council

2.58 The AQFC governed the AQF between 2008 and 2014.⁴⁶ The AQFC:

- was a council of the national ministers responsible for tertiary education, training and employment and is established under the authority of national ministers. The AQF Council is also obliged to report to the ministers responsible for school education;
- had authority delegated to it by ministers to monitor and maintain the AQF, support its users, and promote AQF qualifications to the community. It is also responsible for providing strategic and authoritative advice to ministers on the AQF to ensure it is nationally and internationally robust and supports qualification linkages and pathways; and
- comprised 12 members with expertise and experience in the following areas: higher education, vocational education and training, schools, employers, unions and government. Membership includes an independent chair to ensure that its advice benefits Australia's education system as a whole.⁴⁷

Advice and research

2.59 In addition to the regulatory bodies set out above there are a number of organisations that provide (or provided) advice, information, research and analysis to the Commonwealth and state and territory governments.

Vocational Education and Training Advisory Board

2.60 As part of the Australian Government's VET reform agenda, in August 2014 the Minister for Industry, the Hon Ian Macfarlane MP announced the appointment of a five-member Minister's Vocational Educational and Training Advisory Board that will provide advice to the Minister for Industry regarding priorities for reforming the vocational education and training sector.⁴⁸

46 AQF, 'About the AQF Council', <<http://www.aqf.edu.au/council/about/the-aqf-council/>> viewed 13 February 2014.

47 AQF, 'About the AQF Council', <<http://www.aqf.edu.au/council/about/the-aqf-council/>> viewed 13 February 2014.

48 Australian Government, Department of Industry, 'VET Reform' 'Vocational Education and Training Board Established', <<http://www.vetreform.industry.gov.au/news/vocational-education-and-training-advisory-board-established>> viewed 24 October 2014.

Australian Workforce and Productivity Agency

- 2.61 The Australian Workforce and Productivity Agency (AWPA), established in July 2012 under the Australian Workforce and Productivity Agency Act 2008 (Cth), was an independent statutory body which provided advice to the Federal Minister for Industry on Australia's current, emerging and future skills and workforce development needs. The Australian Workforce and Productivity Agency Act 2008 expanded the roles and functions of AWPA's predecessor, Skills Australia.⁴⁹
- 2.62 As of 1 July 2014 the functions of AWPA were transferred to the Australian Government Department of Industry.⁵⁰
- 2.63 AWPA provided advice on a broad range of areas that affect the demand, supply and use of skills. The agency also provided strategic advice and recommended priorities for the Australian Government's National Workforce Development Fund.
- 2.64 AWPA engaged directly with industry on workforce development issues and addressed sectoral and regional industry needs. Specifically, it:
- administered the Australian Government's National Workforce Development Fund;
 - conducted skills and workforce research, including into the quality of jobs and future working life in Australia;
 - drove engagement between industry, training providers and government on workforce development, apprenticeships and VET reform;
 - developed and monitored sectoral skills and workforce development plans in conjunction with Industry Skills Councils and industry
 - provided independent advice on sectoral and regional skills needs to support workforce planning and productivity, including in small business; and
 - promoted workforce productivity by leading initiatives for the improvement of productivity, management, innovation and skills utilisation within Australian workplaces.⁵¹

National Centre for Vocational Education Research

- 2.65 The National Centre for Vocational Education Research (NCVER) is a not-for-profit company owned by the Commonwealth, state and territory ministers responsible for VET.

49 Australian Government, Australian Workforce and Productivity Agency (AWPA), 'About us', <<http://www.awpa.gov.au/about-us/Pages/default.aspx>> viewed 24 October 2014.

50 AWPA, 'Home' <<http://www.awpa.gov.au/Pages/default.aspx>> viewed 24 October 2014.

51 AWPA, 'About us', <<http://www.awpa.gov.au/about-us/Pages/default.aspx>> viewed 24 October 2014.

- 2.66 NCVER is an independent body responsible for collecting, managing, analysing, evaluating and communicating research and statistics about VET nationally. It does not have the standard setting and advising functions of the NSSC and its successor.
- 2.67 NCVER's areas of activity are:
- Undertaking a strategic program of education and training research, including the management of national competitive grants programs and the analytical program of the Longitudinal Surveys of Australian Youth, and collecting and analysing national VET statistics and survey data.
 - Collecting and publishing research findings on VET and higher education from across the world through the VOCED plus research database.
 - Disseminating the results of research and data analysis.
 - Building links with similar international organisations to foster comparative analysis and collaborate on issues of mutual interest.
 - Undertaking commercial consultancies.⁵²

Unique Student Identifier

- 2.68 The Unique Student Identifier (USI) scheme is an initiative of COAG designed to enable the tracking of a student's pathway through nationally recognised VET Institutes. The USI will allow an authenticated transcript of a student's VET pathway to be issued for confirmation of prior learning and prerequisite work – information which is currently not readily available across VET Institutes.
- 2.69 Additionally, the USI will be valuable to research bodies, such as NCVER, in enabling accurate statistical gathering and in assisting policy makers to assess the performance of the VET system. The Explanatory Memorandum to the Student Identifiers Bill 2014 states that:

The student identifier scheme is designed to improve the transparency and responsiveness of the VET sector in a number of ways. Currently, there is no single repository of records of VET student enrolments and achievements. This means that individuals cannot access a consolidated electronic record of VET attainments over their lifetime and, in turn, registered training organisations (RTOs) may be unable to readily confirm students' pre-requisite course work or properly assess their prior learning.

52 National Centre for Vocational Education and Research, 'About us', <<http://www.ncver.edu.au>> viewed 11 February 2014.

This also affects the capacity of state, territory and Commonwealth policy makers to assess how the VET system is performing and to administer government student subsidy programs. The introduction of a student identifier will rectify each of these issues.⁵³

- 2.70 The *Student Identifiers Act 2014* is due to be implemented by the Australian Government Department of Industry on 1 January 2015.⁵⁴

National VET Equity Advisory Council

- 2.71 The National VET Equity Advisory Council (NVEAC) was established in 2008–09 under SCOTese to improve training and employment outcomes for those at risk of disadvantage in the national training system, by providing leadership for cultural and systemic change in VET. NVEAC provided independent advice to SCOTese on how disadvantaged learners can achieve better outcomes from VET. NVEAC's establishment and role was not related to the NASWD, however those charged with upholding the NASWD could seek advice from the NVEAC.⁵⁵ At the inaugural meeting of the COAG Industry and Skills Council in April 2014 it was agreed that the NVEAC, as a committee established under the SCOTese, would be dissolved.
- 2.72 NVEAC comprised a chair, ten expert members and a member who was appointed as a representative of the National Senior Officials Committee.⁵⁶
- 2.73 The role of NVEAC was to provide independent advice to ministers on how people at risk of disadvantage can achieve better outcomes from VET, to ensure all learners can achieve their potential as part of mainstream training and through linkages and pathways to higher education.⁵⁷

53 The Parliament of the Commonwealth of Australia, House of Representatives, 'Student Identifiers Bill 2014, Explanatory Memorandum', <http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r5215_ems_51b81ea3-7c62-409f-aeb0-443e9ba24f14/upload_pdf/392508.pdf;fileType=application%2Fpdf> viewed 24 October 2014.

54 Australian Government, Department of Industry, 'Unique Student Identifier (USI) initiative for VET', <<http://www.industry.gov.au/skills/regulationreformsandinitiatives/uniquestudentidentifierforvet/Pages/default.aspx>> viewed 22 August 2014.

55 National VET Equity Advisory Council (NVEAC), 'NVEAC Charter' <http://www.nveac.natese.gov.au/home/nveac_charter> viewed 24 October 2014.

56 NVEAC, 'NVEAC Charter' <http://www.nveac.natese.gov.au/home/nveac_charter> viewed 24 October 2014.

57 NVEAC, 'NVEAC Charter' <http://www.nveac.natese.gov.au/home/nveac_charter> viewed 24 October 2014.

2.74 The key functions of NVEAC were to:

- Undertake specific activities as directed by SCOTese and report recommendations directly to Ministers.
- Provide advice for Ministers based on an annual work plan, developed in consultation with the National Senior Officials Committee and approved by SCOTese.
- Act as the key expert advisory body to SCOTese Access and Participation Principal Committee (APPC), with the APPC seeking advice from NVEAC as required.⁵⁸

Industry Skills Councils and national Training Packages

Industry Skills Councils

2.75 The Australian Government funds 12 independent not-for-profit Australian public companies known as ISCs under a core Funding Agreement.⁵⁹

2.76 The competitiveness and productivity of organisations is highly dependent on access to required skills. The mandate of Australia's ISCs is to bring together industry, educators and governments and unite them on a common industry-led agenda for action on skills and workforce development.

2.77 The ISCs are:

- recognised and funded by the Australian Government
- governed by independent, industry led boards; and
- not-for-profit companies limited by guarantee.

2.78 Currently the 11 ISCs are:

- AgriFood Skills Australia;
- Community Services and Health;
- Construction and Property Services;
- Energy Skills Australia;
- ForestWorks;
- Government Skills Australia;
- Innovation and Business Skills Australia;
- Manufacturing Skills Australia;

58 NVEAC, 'NVEAC Charter' <http://www.nveac.natese.gov.au/home/nveac_charter> viewed 11 February 2014. For the history and background of NVEAC see <<http://www.nveac.natese.gov.au/history/background>> viewed 24 October 2014.

59 Australian Government, Department of Industry, *Submission 186.1*, p. 9.

- Service Skills Australia;
 - Skills Drilling, Mining, Civil Infrastructure Australia; and
 - Transport and Logistics.
- 2.79 In addition to these ISCs, Auto Skills Australia is the body responsible for the development and maintenance of nationally-accredited automotive training qualifications in Australia.⁶⁰
- 2.80 The formal roles of ISCs involve:
- Providing integrated industry intelligence and advice to the Australian Workforce and Productivity Agency, government and enterprises on workforce development and skills needs.
 - Actively supporting the development, implementation and continuous improvement of high quality training and workforce development products and services, including national Training Packages.
 - Providing independent skills and training advice to enterprises, including matching identified training needs with appropriate training solutions; and working with enterprises, employment service providers, RTOs and government to allocate training places under the Enterprise Based Productivity Places Program.
 - Engaging with state and territory governments, state and territory industry advisory bodies and peak representative bodies in their area of industry coverage.
- 2.81 In September 2014 the Minister for Industry, the Hon Ian Macfarlane MP, announced the government's intention to 'move to a more contestable model for the development and maintenance of training packages'. The Minister indicated that:
- ... the current ISCs are welcome to tender under this new model along with new groups.⁶¹
- 2.82 A total of \$239.6 million has been spent on ISCs by the Australian Government between 2007–08 and 2013–14 (see Table 2.1 below).⁶²

60 Industry Skills Councils (ISC), 'About us', <<http://www.isc.org.au/about.php>> viewed 24 October 2014.

61 The Hon Ian Macfarlane, *Address to the National VET Conference*, Brisbane, Queensland, 11 September 2014, <<http://minister.industry.gov.au/ministers/macfarlane/speeches/address-national-vet-conference-0>> viewed 24 October 2014.

62 Australian Government, Department of Industry, *Submission 186.1*, p. 9.

Table 2.1 Australian Government Funding to Industry Skills Councils – 2007-08 – 2013-14

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Core Funding Agreement (\$m)	7.369 ⁶³	33.463	35.533	39.539	41.254	41.254	41.254	239.666

Source: Australian Government Department of Industry, *Submission 186.1*, p. 9.

AgriFood Skills Australia

2.83 Led by industry and funded by government, AgriFood Skills Australia is charged with driving the skills and workforce development agenda across five main sectors:⁶⁴

- rural and related industries (including agriculture, horticulture, conservation and land management, animal care and management);
- food, beverage and pharmaceutical processing;
- meat;
- seafood; and
- racing (greyhound, thoroughbred and harness).

2.84 AgriFood Skills Australia develops and implements workforce development strategies and industry's nationally-endorsed qualifications to meet current and emerging needs of agrifood enterprises, employees and students throughout regional and urban Australia. It works with stakeholders at all levels.

Auto Skills Australia

2.85 Auto Skills Australia (ASA) is the body responsible for the development and maintenance of nationally-accredited automotive training qualifications in Australia. ASA carries out the same role as an ISC.⁶⁵

2.86 ASA is directly funded by the Australian Government Department of Industry and has a key focus on developing the skills capacity in the automotive industry. ASA works with industry bodies, unions and enterprises to ensure that workforce development plans equip automotive businesses with required skills. The core functions of ASA are:

- actively supporting the development and continuous improvement of high-quality training material, including national qualifications, industry competency standards and Training Packages;

63 Note: records for 2007-08 funding are incomplete as some information has been archived by a separate Department.

64 AgriFood Skills Australia, <<http://www.agrifoodskills.net.au/>> viewed 24 October 2014.

65 Auto Skills Australia, 'About' <<http://www.autoskillsaustralia.com.au/about/>> viewed 24 October 2014.

- engaging in workforce development activities and services for industry; and
 - providing accurate industry intelligence to the vocational education and training sector on current and future skill needs and training requirements.
- 2.87 ASA also plays a role in advising government on emerging skill and labour needs facing the industry.

Community Services and Health

- 2.88 The Community Services and Health Industry Skills Council (CS&HISC) provides the direction for workforce development for Australia's Community Services and Health industries.
- 2.89 CS&HISC seeks to drive this development by:
- providing advice and intelligence;
 - developing skills;
 - supporting growth; and
 - working in collaboration.
- 2.90 CS&HISC shares industry information it gathers with governments and government agencies, employers, unions, trainers, workers and potential workers so that decisions affecting relevant industries support workforce development and growth and reflect client needs.
- 2.91 CS&HISC has developed 160 qualifications, 1 198 competencies and 80 skill sets that form the national VET standards for community services and health. These standards form the Community Services Training Package and the Health Training Package, and are used to ensure consistency and quality in training, and support workforce development.⁶⁶

Construction and Property Services

- 2.92 The Construction and Property Services Industry Skills Council (CPSISC) represents the workforce training and skills development needs of the construction and property services industries. More than 1.8 million Australians work in over 526 000 enterprises within the sector.
- 2.93 CPSISC develops, manages and distributes nationally-recognised Training Packages and associated training and assessment materials.⁶⁷

66 Community Services and Health Industry Skills Council, 'About us', <<http://www.cshisc.com.au/about-us/>> viewed 24 October 2014.

67 Construction and Property Services Industry Skills Council, <<http://www.cpsisc.com.au/>> viewed 24 October 2014.

E-Oz Energy Skills Australia

- 2.94 E-Oz Energy Skills Australia (formerly EE-Oz Training Standards) is the Government's declared ISC for the energy sector trades. E-Oz was established in 1995 to develop training standards for the industries under its coverage, including;
- Electrotechnology;
 - Electricity distribution, transmission and rail;
 - Electricity generation; and
 - Gas Transmission.⁶⁸
- 2.95 E-Oz Energy Skills Australia's primary aims and objectives are to:
- Identify and advise Government, government agencies and instrumentalities, training providers, industry training practitioners and other related organisations on training priorities and skills formation changes and needs for the industry.
 - Develop, in consultation with industry, National Qualifications and Competency Standards (national Training Packages) for the industry sectors covered by E-Oz Energy Skills Australia.
 - Facilitate and promote the relevant, effective and timely training within the Electricity, Gas and Electrotechnology Industries.⁶⁹

ForestWorks

- 2.96 ForestWorks ISC is the Industry Skills Council for the forest, wood, paper and timber products industry.
- 2.97 ForestWorks ISC provides:
- training Packages and support materials;
 - workforce development activities;
 - networks and partnerships, connecting industry and government;
 - industry intelligence and advice;
 - support for the national training system; and
 - governance and business arrangements.⁷⁰

68 E-Oz Energy Skills Australia, 'About us', <<http://www.ee-oz.com.au/index.php/about-us>> viewed 24 October 2014.

69 E-Oz Energy Skills Australia, 'About us', <<http://www.ee-oz.com.au/index.php/about-us>> viewed 24 October 2014.

70 ForestWorks Industry Skills Council, 'About', <<http://www.forestworks.com.au/about/forestworks-isc>> viewed 24 October 2014.

Government Skills Australia

- 2.98 Government Skills Australia (GSA) is a national ISC for the government and community safety sectors representing the VET and workforce interests of Correctional Services, Local Government, Public Safety, Public Sector and Water.
- 2.99 GSA provides industry intelligence on skill needs and training solutions to the Australian Government to develop a skilled workforce. GSA services industry through the provision of training products and qualifications, workforce development and career advice.
- 2.100 GSA covers:
- Commonwealth, state and territory governments;
 - Local government;
 - Defence, Fire, Police, emergency services and management and marine rescue;
 - Correctional services – custodial, community and rehabilitation services; and
 - Water – catchment, distribution and treatment.⁷¹

Innovation and Business Skills Australia

- 2.101 Innovation and Business Skills Australia (IBSA) is an official voice on vocational education and training across six industries:
- Business services
 - Cultural & related industries
 - Financial services
 - ICT & telecommunications
 - Training & education; and
 - Printing & graphic arts.⁷²
- 2.102 IBSA delivers:
- Nationally-endorsed qualifications and skill sets
 - Intermediary services for workforce skilling
 - Skilling solutions to boost capability, productivity and profitability
 - Advice and information to government and industry
 - Support resources for trainers and students; and
 - Networking opportunities and workshops to enhance professional practice.⁷³

71 Government Skills Australia, < <http://governmentskills.com.au/>> viewed 24 October 2014.

72 Innovation and Business Skills Australia (IBSA), 'About', < <https://www.ibsa.org.au/about>> viewed 24 October 2014.

- 2.103 IBSA provides training products, tools, learning guides and resources designed to boost the skills and productivity of the workforce, including Training Packages with contemporary industry qualifications and skills sets.

Manufacturing Skills Australia

- 2.104 Manufacturing Skills Australia (MSA) is the national body responsible for ensuring that manufacturing enterprises have the workforce skills required for competitiveness. MSA works with enterprises, employer and industry associations, trade unions and industry advisory bodies to identify what skills are needed and how these can most effectively be implemented in industry.

- 2.105 MSA:

- Develops and maintains national, industry-endorsed Training Packages to establish skill standards and provide a framework for skills development;
- Supports the implementation of training through advice and resources, workforce development support and brokerage of Australian Government-funded programs;
- Provides leadership to support economic and environmental sustainability; and
- Provides government with industry intelligence to inform the development of policies and programs aimed at workforce development.⁷⁴

- 2.106 MSA addresses the skill needs of over 250 000 manufacturing and related enterprises and around one million Australians who are employed using manufacturing skills. MSA works across most manufacturing sectors, including:

- aerospace
- furnishing
- laboratory operations
- metal, engineering and boating
- process manufacturing, including chemicals, hydrocarbons, mineral products, plastics, rubber and cabling
- recreational vehicles; and
- textiles, clothing and footwear.⁷⁵

73 IBSA, 'What IBSA does', <<https://www.ibsa.org.au/what-ibsa-does>> viewed 24 October 2014.

74 Manufacturing Skills Australia, 'About us', <<http://www.mskills.com.au/info/about-us>> viewed 24 October 2014.

75 Manufacturing Skills Australia, 'About us', <<http://www.mskills.com.au/info/about-us>> viewed 24 October 2014.

Service Skills Australia

2.107 Service Skills Australia (SSA) represents a range of industry sectors, including retail and wholesale, sport, fitness, community recreation, outdoor recreation, travel, tours, meetings and events, accommodation, restaurants and catering, caravans, hairdressing, beauty, floristry, community pharmacy and funeral services.

2.108 SSA is funded by the Australian Government to:

- Provide industry intelligence and advice to the Australian Workforce and Productivity Agency, government and enterprises on workforce development and skills needs;
- Support the development, implementation and continuous Improvement of high quality training and workforce development products and services, including Training Packages (SSA currently manages a total of 10 Training Packages);
- Provide independent skills and training advice to enterprises, including matching identified training needs with appropriate training solutions; and
- Work with enterprises, employment service providers, training providers and government to allocate training places.⁷⁶

2.109 SSA's objectives are:

- The development of a culture within the service industries which promotes and enhances the skills development of its workforce.
- The implementation of policies, programs and services that support industry needs and priorities in relation to skills and workforce development.
- The achievement of quality skills outcomes throughout the service industries.
- The collection and dissemination of quality workforce development information and industry intelligence on skills and labour issues.⁷⁷

Skills Drilling, Mining, Quarrying and Civil Infrastructure Australia

2.110 Skills Drilling, Mining, Quarrying and Civil Infrastructure Australia (SkillsDMC) is recognised by industry and the Australian Government as the advisory body providing consultancy services and advocacy on the skills and workforce development needs of the resources and infrastructure industry. Its goal is to help improve industry production by

76 Service Skills Australia, 'About Service Skills Australia', <<http://www.serviceskills.com.au/about-service-skills-australia>> viewed 24 October 2014.

77 Service Skills Australia, 'About Service Skills Australia', <<http://www.serviceskills.com.au/about-service-skills-australia>> viewed 24 October 2014.

achieving a sustainable, competent workforce that operates in a 'zero harm' environment.

- 2.111 In partnership with the Australian Government, SkillsDMC engages directly with industry leadership to define industry skill specifications, provide best practice workforce planning and development solutions, and facilitate access to skills investment programs.
- 2.112 Under an arrangement with the Australian Government, SkillsDMC is responsible for facilitating the skilling needs of industry stakeholders. SkillsDMC also works closely with the resources and infrastructure industry, governments, employer and employee bodies and communities, as well as training organisations and industry and training regulators to strive for quality, and for industry-led vocational education and training arrangements within the national training system.
- 2.113 SkillsDMC is also responsible for the development of the Australian Resources and Infrastructure Industry Training Package (Skills Competency Recognition Framework).⁷⁸

Transport and Logistics

- 2.114 The Transport and Logistics Industry Skills Council Ltd is chartered with driving the skills and workforce development agenda across the entire transport and logistics industry which encompasses activities in road transport, warehousing, rail, aviation, maritime, logistics and ports.⁷⁹

National Training Packages

- 2.115 National Training Packages are prepared by the ISCs and specify the skills and knowledge required to perform effectively in the workplace. Training Packages are not curriculum, and they do not prescribe how an individual should be trained. RTOs use Training Packages as the basis for developing learning strategies to support individual learners' needs, abilities and circumstances. It is estimated that Training Packages cover around 85 per cent of Australian occupations.⁸⁰

78 Skills Drilling, Mining, Quarrying and Civil Infrastructure Australia, 'About us', <http://www.skillsdmc.com.au/about_us> viewed 24 October 2014.

79 Transport and Logistics Industry Skills Council, <<http://tlisc.org.au/tlisc/>> viewed 24 October 2014.

80 ISC, *Shared responsibilities, shared solutions: Analysis of the Training Package Continuous Improvement Process for the Industry Skills Councils Forum*, p. 9-10, <<http://www.isc.org.au/pdf/Training%20Package%20Continuous%20Improvement%20-%20FINAL%20REPORT.pdf>> viewed 24 October 2014.

2.116 Each national Training Package is made up of the following:

- Nationally-endorsed components:
 - ⇒ *Units of competency*: the specifications of knowledge and skills required to perform in the workplace.
 - ⇒ *Qualifications*: created by packaging units of competency into meaningful groups to make up a nationally-recognised qualification.
 - ⇒ *Assessment requirements*: these specify the evidence and required conditions for assessing competency in the specified industry, industry sector or enterprise.
 - ⇒ *Credit arrangements*: between Training Package qualifications and Higher Education qualifications.
- One or more quality assured *Companion Volumes*. These implementation guides are mandatory and must be submitted with the Training Package Case for Endorsement.⁸¹

2.117 Training Packages are used in many contexts across the Australian economy as part of an integrated approach to skills development and workforce planning. Training Packages:

- provide the standards and qualification structures against which RTOs train and formally assess skills of individuals.
- are utilised in licensing, regulation and certification, and in the development of industrial awards.
- are integrated into enterprise workforce development strategies and provide a structured framework for job design, recruitment, work organisation and skills audits, up-skilling and performance management in the workplace.
- are leveraged by governments to give effect to specific policy imperatives or skill needs in the economy and to drive economic and social reform, for example, building drought preparedness.
- allow industry to benchmark against national and international industry best practice.
- provide a framework for career progression and support pathways into further education through VET in Schools programs and articulation, apprenticeships and traineeships and on-the-job training.
- support national and international recognition of skills, portability of qualifications, and provide benchmarks for recognising informal learning and experience.⁸²

81 ISC, *Shared responsibilities, shared solutions: Analysis of the Training Package Continuous Improvement Process for the Industry Skills Councils Forum*, p. 9, <http://www.isc.org.au/pdf/Training%20Package%20Continuous%20Improvement%20-%20FINAL%20REPORT.pdf> viewed 24 October 2014.

- 2.118 In March 2014 there were 72 Training Packages; 1 682 Qualifications; and 17 907 Units of Competency.

Standards for Training Packages

- 2.119 Standards for national Training Packages, set by the then NSSC, were endorsed by SCOTese on 16 November 2012. The Standards replace the Training Package Development Handbook (TPDH), with all Training Packages to be reviewed and developed to meet the Standards by 31 December 2015.⁸³
- 2.120 During the transition period from the TPDH to the Standards the previous NSSC accepted Training Package Cases for Endorsement from Training Package developers that met the Standards or the TPDH until 31 December 2013. After 1 January 2014 the NSSC only accepted Training Package Cases for Endorsement where the proposed components met the Standards.
- 2.121 Arrangements following the dissolution of the NSSC are as follows:
- Industry Skills Councils are able to submit Training Package cases for endorsement to the Commonwealth Department of Industry where there is a government or regulatory imperative in accordance with the out-of-session endorsement process outlined in the Standards for Training Packages.
- Urgent Training Package endorsements will be dealt with by the Secretaries of departments, with Secretaries to consult with industry and advise the Chair of the COAG Industry and Skills Council of any matters being considered.⁸⁴

Review of training packages and accredited courses

- 2.122 On 11 September 2014 the Minister for Industry, the Hon Ian Macfarlane MP, announced a full review of training products in the VET system. The review is expected to examine whether training packages and accredited courses, as they are currently designed, are still fit for purpose. It is anticipated that the review will consider:

82 ISC, *Shared responsibilities, shared solutions: Analysis of the Training Package Continuous Improvement Process for the Industry Skills Councils Forum*, p. 9-10, <<http://www.isc.org.au/pdf/Training%20Package%20Continuous%20Improvement%20-%20FINAL%20REPORT.pdf>> viewed 24 October 2014.

83 NSSC, 'Meeting the AQF in the Standards for Training Packages: and Explanation of requirements for NSSC endorsement', <http://www.nssc.natese.gov.au/training_packages/standards_and_policies/explanation_of_requirements/meeting_the_aqf> viewed 24 October 2014.

84 NSSC, 'Training Packages', <http://www.nssc.natese.gov.au/training_packages> viewed 24 October 2014.

- how training packages and accredited courses can better support delivery and assessment practices;
- how training packages and accredited courses can better adapt to rapid technological change;
- how the specific or local needs of employers can be better addressed, noting that training packages are a nationally agreed standard; and
- whether a one-size-fits-all approach should continue – is the same level of regulation required to assure quality across all occupations and all certificate levels.⁸⁵

Standards for Training Packages and the AQF

2.123 The AQF identifies that:

- the NSSC was the accrediting authority responsible for the endorsement of AQF qualifications in national Training Packages for vocational education and training; and
- ISCs are developers of vocational education and training AQF qualifications in national Training Packages for endorsement.⁸⁶

Quality assurance of Training Packages and AQF compliance

2.124 ISCs are responsible for the quality and quality assurance of national Training Packages. Before submission for endorsement consideration, an assessment of the evidence of compliance (the Quality Report) against all 12 standards of the Standards for Training Packages is undertaken by a member of the Training Package Quality Assurance Panel as part of the development process. In order to meet *Standard 8* of the Standards for Training Packages, ISCs need to demonstrate compliance against the AQF specifications for qualification types.⁸⁷

85 Australian Government, Department of Industry, 'VET Reform', 'Progress to date' <<http://www.vetreform.industry.gov.au/progress-date#new>> viewed 26 September 2014.

86 NSSC, 'Meeting the AQF in the Standards for Training Packages: an explanation of requirements for NSSC endorsement' <http://www.nssc.natese.gov.au/training_packages/standards_and_policies/explanation_of_requirements/meeting_the_aqf> viewed 24 October 2014.

87 NSSC, 'Meeting the AQF in the Standards for Training Packages: an explanation of requirements for NSSC endorsement' <http://www.nssc.natese.gov.au/training_packages/standards_and_policies/explanation_of_requirements/meeting_the_aqf> viewed 24 October 2014.

- 2.125 The primary evidence for ISCs to demonstrate compliance against the AQF is documented justification as to how the proposed qualification structure meets the AQF specifications for that qualification type.⁸⁸

Volume of learning

- 2.126 Demonstration of compliance against the AQF specifications for qualification types includes validating that the volume of learning is sufficient.

- 2.127 Volume of learning is explained as:

The volume of learning is a dimension of the complexity of a qualification. It is used with the level criteria and qualification type descriptor to determine the depth and breadth of the learning outcomes of a qualification. The volume of learning identifies the notional duration of all activities required for the achievement of the learning outcomes specified for a particular AQF qualification type. It is expressed in equivalent full-time years.⁸⁹

- 2.128 While acknowledging flexibility in its application, the AQF asserts that those developing and/or accrediting qualifications should be able to provide a pedagogical rationale to justify a decision about the volume of learning. The volume of learning allocated to a qualification should include all teaching, learning and assessment activities that are required to be undertaken by the typical student to achieve the learning outcomes. This is usually measured in equivalent full time years and the generally accepted length of a full time year, used for educational participation, is 1 200 hours.⁹⁰

- 2.129 In this context, and consistent with the AQF, evidence of validation against sufficient volume of learning for qualification types may include a range of approaches, for example the following:

- Allocation of measures that express an aspect of volume of learning to units of competency used to construct the qualification. The summation of measures allocated to units can then be used as a source of validation of the volume of learning range for the qualification.

88 NSSC, 'Meeting the AQF in the Standards for Training Packages: an explanation of requirements for NSSC endorsement' <http://www.nssc.natese.gov.au/training_packages/standards_and_policies/explanation_of_requirements/meeting_the_aqf> viewed 24 October 2014.

89 AQF, *Volume of Learning: An Explanation*, <<http://www.aqf.edu.au/wp-content/uploads/2013/06/Volume-of-Learning-Explanation.pdf>> viewed 24 October 2014.

90 AQF, *Volume of Learning: An Explanation*, <<http://www.aqf.edu.au/wp-content/uploads/2013/06/Volume-of-Learning-Explanation.pdf>> viewed 24 October 2014.

- Taking into account all aspects of the learning and assessment required to complete the qualification, calculate the overall volume of learning for the qualification verified through the Training Package development and endorsement process.⁹¹

91 AQF, *Volume of Learning: An Explanation*, <<http://www.aqf.edu.au/wp-content/uploads/2013/06/Volume-of-Learning-Explanation.pdf>> viewed 24 October 2014.