Introduction

The LH Martin Institute (LHMI) welcomes this opportunity to contribute to the present review of Vocational Education and Training (VET) sector Training Packages.

LHMI notes and endorses the observation that Australia’s VET system is recognised internationally as having considerable strengths, including its framework for nationally recognised and industry-informed qualifications.

In this context we as policy-makers, in particular, but also industry, the VET provider sector and analysts need to be mindful of the sometimes enervating effect of constant changes to and attempts to remake the VET system. A restless, seemingly ceaseless search for perfection seems to characterise the official mindset about the VET sector. At any one time, it is almost certainly likely to be that one or other or several of Australia’s nine government jurisdictions will be inquiring into VET and or have in train a process of “skills reform”.

The sector would undoubtedly benefit from a period of stability, certainty and consolidation.

That stated, it is, of course, a requirement that policy settings and system architecture including funding arrangements be understood to be and broadly accepted to be “about right”. Whether such a condition of broad consensus is achievable appears moot: it has, evidently, proved beyond achievement for a decade or more.

LHMI has stated the case for a broad overarching, root and branch review of VET, as has occurred in recent years in higher education (the Bradly Review) and schools education (the Gonski Review). It’s well past time: such a fundamental review has not occurred since the Kangan Committee in 1973/74.

In particular, attention needs to be paid to funding arrangements, to place them on a basis that will sustain the sector and ensure some national consistency (Australia has, in effect, nine different funding models: the eight state and territory systems overlaid by the Commonwealth model). Quite simply, the quality of training outcomes cannot be divorced from funding. It is a matter of record that national funding of the VET sector has been in relative decline for a number of years:
expenditure per hour of training in VET actually decreased around 25%. Whatever the perceived funding travails of the higher education sector, they pale in comparison to those of the VET sector. Such a National Review of VET would bring together and, as far as possible, synthesise the findings of the diverse reviews that have taken place in recent years. It would enunciate a revitalised vision and mission for the VET sector in helping to meet Australia’s skills needs in a rapidly changing economic environment. Importantly, it would clarify respective Commonwealth and State/Territory roles and responsibilities, including funding. The work of this inquiry would be an important contribution to such a renovation project.

LHMI acknowledges that the Commonwealth Government has taken sensible steps to reduce red tape and simplify regulation of the VET sector, such as in managing changes to Training Packages and accredited courses. It has also flagged a change in focus of the national regulator, the Australian Skills Quality Authority to a more responsive form of regulation, which places some emphasis on quality improvement activities and cooperative engagement with providers, as well as continuing to target areas of high risk within the training system (such as third party agents and brokers).

**Nomenclature**

The term “Training Package” has meaning for VET practitioners and interested parties but not necessarily for people in the wider community. It does not at all capture the notion of Training Packages as containing the basic elements, the building blocks, of VET qualifications.

Accordingly, a more relevant and apposite term ought to be adopted, which would be more descriptive of their nature. Descriptors might include “vocational”, “training”, “skills”, “standards”, “national”, “occupational”, and “qualifications”. For example:

- Vocational Education and Training Standards
- Vocational Qualifications Standards
- VET Qualification Standards

**Revitalising training packages**

LHMI firmly considers that the national standards system currently encapsulated in Training Packages introduced in the 1990s has been of considerable value and ought to be maintained.

Nevertheless, as with LHMI’s call for a wider inquiry into VET, this in no way suggests that improvements in current arrangements ought not be considered and advanced, where experience suggests there might be shortcomings and or scope for improvement in the light of changed economic and social circumstances.

For example, since the mid-1990s, when training packages were first introduced, Australia has experienced a protracted resources boom (which has now abated); there has been the decline of traditional manufacturing industries (such as the domestic car production industry) and the broadening of education attainments within the Australian population, particularly among young Australians. The nature of work itself has changed substantially, with the emergence of new

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occupations, the demise of others and with many, if not most occupations, requiring higher levels of skills and cognitive capacity.

This suggests the need for the contemporary worker to be capable of not only having the skills to competently perform the tasks associated with their current job but also, as the Discussion Paper puts it, the “skills that enable them to adapt on the job as technologies change, new products or services are introduced...and the needs, expectations and preferences of clients change.”

**Vocational streams**

It has been suggested that this might best be achieved by reconceptualising what are now called training packages, so that they focus on providing skills for broader “vocations” or “vocational streams” that prepare people to work in a range of related occupational fields or industries rather than a specific job. LHMI has been involved in a research project exploring the potential for an intermediate dimension of skill, lying between the “generalist” qualifications associated with most secondary and higher education and the job specific competencies currently delivered through the VET system (see Getting to a better place: from VET to Vocational development). The as yet unpublished findings of this research confirm that, assuming a direct link between qualifications and jobs, the basis of the current competency-based training system, results in narrowly focussed qualifications and training that is not well-suited for the needs and demands of modern labour market.

It proposes that VET would be better organised around notions of “vocation” and “vocational streams”. A vocation is described as a “domain of practice” encompassing the knowledge, skills and attributes required to use at work. A “vocational stream” is described as linked occupations that share common practices, knowledge, skills and attributes. Vocational streams have the potential to provide a better frame of reference for shaping the evolution of qualifications and jobs. The development of such streams would provide VET graduates with more transferable skills and the capacity to better adapt to changing labour market conditions. This in turn would ease the difficulty faced by enterprises when seeking to source the labour they need as business circumstances change.

**How would this work in practice?**

As noted in the Discussion Paper, New Zealand introduced Vocational Pathways in 2013 to “provide new ways to structure and achieve an entry level qualification and provide a more coherent framework for foundation VET”, initially in five streams (Primary Industries; Service industries; Social and Community Services; Manufacturing and Technology; Construction and Infrastructure), since extended to a sixth stream (Creative Industries).

It would be a long run project to remake training packages in this way. The model adopted in New Zealand (which is a single jurisdiction, rather than a sometimes unwieldy federation) took four years from conception to the beginning of implementation, with a full evaluation due in 2017.

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3 See Buchanan, J, Wheelahan, L and Yu, S, Getting to a better place: from VET to Vocational development (2013).
The adoption of an Australian model would, nevertheless, provide an opportunity for a rationalisation and consolidation of training packages (currently 65) and qualifications (about 1300), an outcome which would serve to make the system more manageable (including in maintaining its currency), more navigable and understandable for industry, for providers and students. On grounds of simplification alone, such a proposal has merit.

**Moving forward from Competency Based Training**

It also provides the opportunity to consider whether and or to what extent the notional bedrock of the Australian VET system should remain competency based training (CBT). Many training practitioners hold the view that, with respect to higher level VET qualifications at least, CBT has reached the end of its useful life. It has long been argued that the Australian conception of CBT has been too narrowly focussed on an instrumental set of key skills/key competencies, to the exclusion of valued “generic” skills and attributes, both ‘hard’ (notably information technology skills) and ‘soft’ (e.g. problem-solving, team skills, willingness and ability to adapt to changing circumstances).

As noted above, Australia’s circumstances are rapidly changing. To the extent that Australia’s future prosperity and security (and that of individual Australians) will depend on deepening and expanding its skills and knowledge base, then the nation must maintain its training and education systems to suit the needs of the times. The needs of the times demand not just a greater stock of skills in the economy (formally, more people with qualifications) but higher level skills: such skills almost invariably require not mere competency but substantial cognitive capacity. It’s become a cliché but it’s a cliché with the ring of reality to it: Australia does need to focus on becoming a “clever country”, far more so than is the present case.

A recent report by Price Waterhouse Cooper (PwC) put it starkly: Australia stands to lose its place in the world economy without a fresh focus on education, particularly within science, technology, engineering and maths (STEM subjects). Currently the 19th largest economy in the world, PwC has predicted that without investment in skills and a move away from resources, Australia could slip to 29th position by 2050. Leaders across business, government and the community need to understand we are on a slippery slope to irrelevance.

LHMI acknowledges that training packages, as they currently stand, are going through a substantial process of revision, initiated by way of the 2012 Standards for Training Packages, which is due for full implementation by the end of this year. This process of updating, creating greater consistency, particularly in relation to performance requirements and assessment and aligning packages with the taxonomy of the revised Australian Qualifications Framework (AQF) has seen, for example, a complete revision of the TAE Training Package, on which rest the qualifications for VET trainers and teachers. This includes the embedding within that package (as well as all others) a focus on the provision of the foundation skills of language, literacy and numeracy, the grasp of which is essential for all higher learning. This begins to broaden out the hitherto largely “narrow and instrumental” focus of the Australian approach to VET and returns to the original understanding of TAFE/VET, which recognised that, as well preparing for work its broader educational and social purposes. As

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5 None of the following should be seen to imply that VET should drop or substantially downgrade the “T” element of VET, only that greater emphasis be placed on the “E” element.
7 PwC, STEM education the way forward for Australian prosperity? (2014)
set out in the AQF, education and training at all levels should provide pathways to further education and training.  

This development of itself may be an evolutionary step towards a broader form of training which provides the generic skills enabling adaptation to change and further education and training as well as work skills.

**Connections with industry**

It is a common criticism of VET that the training provided by RTOs often lacks industry relevance. Whether this perceived lack can be sheeted back to the content of Training Packages, which are developed by Industry Skills Councils, or to the quality of qualifications, which are put together by RTOs, or their delivery by RTOs is not clear. Where the perceived problem resides is where the proposed solution needs to be directed.

Certainly, there are a number of points at which industry has the opportunity to meaningfully influence the development of Training Packages and qualifications. The proponents of introducing vocational streams in Australian VET suggest they could be constructed jointly by educational institutions, industry (including occupational bodies) and existing Industry Skills Councils (ISCs). This is, more or less, what happens now: while the actual development of a Training Package is undertaken by the relevant ISC, it certainly involves extensive consultation with industry, via industry peak organisations. Training Packages are usually comprehensive in their field of coverage.

At the point of implementation, RTOs design the actual course program and assessment from the units contained within the relevant Training Package(s). NVR Standards, against which RTOs are audited, actually require active industry engagement in the design of training and assessment and an RTO needs to be able to demonstrate at audit the nature of that engagement and the ways feedback has been incorporated into its training practices. Such engagement is usually undertaken at enterprise level, at the design stage, and is reinforced, in a large number of cases, by practical workplace placements, which create interactions between trainers and workplace supervisors on the efficacy of classroom training.

The promise of nationally recognised training is to produce work ready graduates with a range of industry skills. It is not to produce graduates who are fully formed expert practitioners in their field. Formal structured training is an important dimension of workforce development. But so too is experience, informal on-the-job training, and learning.

It is with these considerations in mind that LHMI is disinclined to agree that outsourcing Training Package development, currently undertaken by ISCs, would somehow improve their industry relevance, as proposed as an option in another process. LHMI makes the following observations:

- Industry Skills Councils have acquired deep experience and expertise in the development of Training Packages, which could not be easily acquired or matched by an industry association,

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no matter how close it might be to the industry it represents. Training and education is not and never would be the core business of an industry association.

- Tendering out Training Packages to bodies other than ISCs risks fragmenting and balkanising the national training system, with a plethora of single package developers, diffusing effort and resources.
- The system has already been de-stabilised by marketising the provider market. That should be allowed to settle before marketising other pillars of the system.
- The last range of reforms to Training Packages are still in train and remain unfinished, and these should also be allowed to settle.

As suggested by the proponents of vocational streams, the development of such streams could formally involve industry associations (which tend already to be represented on ISC boards), as well as training and education institutions and occupational associations, led by ISCs.

**External validation**

LHMI is similarly disinclined to support a mandated system of external validation of assessments. Good practice and the NVR standards require RTOs to regularly map and validate their assessment tools, involving external validators (for example, from other RTOs). Therefore assuring the validity of assessment tools is a function of the regulatory system, an existing expectation of RTOs on which they should be tested. Adding external validation to the system would involve additional expense and an additional layer of complexity to an already complex system.

**Skills sets**

There are 65 Training Packages, over 1,300 accredited courses and upwards of 1,600 qualifications available through the VET system. As noted in the Discussion Paper, it is estimated the Training Packages alone are estimated to cover around 85% of Australian occupations.

In that context, it can be argued that there is already a high degree of choice within the system. RTOs are able put together training programs, according to packaging rules, with some degree of flexibility.

In addition to this array of potential offerings, RTOs also have available to them the additional option of providing a course, organised around skill sets, which does not lead to a formal qualification but can be recognised with a Statement of Attainment which for some people and employers, is quite sufficient and recognisable within the national system. If the recipient wanted to go onto a formal qualification, the Statement of Attainment would have recognition and credit value.

**Introducing some self-accreditation**

It’s likely that demand for such training will grow. If there’s an objection that courses and qualifications have proliferated within the national system to unmanageable proportions, introducing greater flexibility for the introduction of customised units and qualifications within the national system simply encourages further proliferation.

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11 See Wheelahan, L, *VET has too many qualifications and is too complex* (2012).
There are a number of ways of addressing this issue. The first would be to simply to remove unused and underused qualifications from the national register as suggested in the Discussion Paper and perhaps set a minimum enrolment figure for inclusion on the national register. In 2010, some 13% of qualifications had no enrolments at all, with the median number of equivalent full-time students in all qualifications (then estimated to be 1416) was 34 Australia-wide; these can hardly be depicted as “national” qualifications in character and, to the extent that they would be niche products, would hardly be portable. A provider or employer may argue that inclusion of a niche product provides some benefit, these then could be reviewed on a case by case situation.

Secondly, in the case of individual units, certain RTOs say, those with a demonstrated record of delivery and compliance might be granted limited self-accreditation authority, enabling the issue of a formal Statement of Attainment in accordance with NVR Standards and the inclusion of a unit within a qualification. The self-accrediting authority would, like all aspects of an RTO’s accredited training activity, be subject to audit against NVR Standards, as would any units accredited.

The third would be to introduce more extensive self-accreditation authority for whole qualifications to certain larger providers, as operates with respect to universities and which can be extended to non-university higher education providers. In 2014, data from NCVER indicated that the biggest 100 VET providers delivered 75% of publicly funded VET teaching. There would be significant capability within such organisations to design qualifications that meet national standards. Again, self-accrediting authority would be subject to review at audit. It would be likely that the costs associated with developing training products would act against proliferation were some degree of self-accrediting authority to some RTOs.

**Conclusion**

The current review of Training Packages, introduced in the mid-1990s provides the opportunity to renovate the national training system, including its foundation on principles of competency based training. LHMI proposes that:

- Training Packages be renamed to something like Vocational Education and Training Standards to better reflect their purposes.
- Such standards be recast along the lines of the “vocational streams” recently adopted in New Zealand.
- In an increasingly sophisticated knowledge economy, where there is a high value on cognitive skills, for higher level VET qualifications (from Certificate III or Certificate IV and above), competency based training does not fully meet industry and individual needs.
- Although there is a lot of apparent choice of available course and qualifications within the current arrangements, flexibility and responsiveness might be enhanced by extending some degree of self-accrediting authority to certain RTOs in respect of individual skills units, and to certain other RTOs in respect of whole qualifications.

LHMI believes that a central role be retained by Industry Skills Councils in the development of skills standards, as they have deeply embedded experience and expertise which will not be easily replicated in other organisations. Insofar as some stakeholders see ISCs as sometimes remote from industry (and, in some cases, arrogant), a solution better lies in seeking to improve current
arrangements, including industry connections, than moving to an outsourcing model, which could prove highly disruptive.

LHMI also proposes that, despite the many inquiries and reviews into VET over the last decade, the sector would benefit from an overarching national inquiry, as has not occurred since the Kangan Committee in 1974. In seeking to create a broad consensus around the place of VET in our education and training system and the roles and responsibilities of various levels of government, such an inquiry might travel some distance towards a somewhat more “national system” than is currently the case.

LHMI would be pleased to clarify and or expand on issues addressed in this submission and assist the conduct of this inquiry in whatever ways LHMI can.

About LHMI

The LH Martin Institute for Tertiary Education Leadership and Management was launched in 2007 with the support of the Australian Federal Government to improve the leadership and management of tertiary education institutions, in the context of a rapidly changing and globally competitive environment. The LH Martin Institute is based within the Centre for the Study of Higher Education and the Melbourne Graduate School of Education. The University of Melbourne’s client Institutions include universities, TAFEs, colleges, institutes, polytechnics and related peak bodies.

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