



national  
electrical and  
communications  
association

# **NECA response to Industry Engagement in Training Package Development – Towards a Contestable Model Discussion Paper**

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19<sup>th</sup> December 2014

The Hon. Ian McFarlane MP  
Minister for Industry  
Federal Member for Groom  
Suite 25, Level 25 Waterfront Place  
1 Eagle Street  
BRISBANE QLD 4000

**Re: NECA response to Towards a Contestable Model Discussion Paper**

Dear Minister

Thank you for the opportunity to provide comment and feedback for the Government's Industry *Engagement in Training Package development – Towards a contestable model* discussion paper.

The National Electrical and Communications Association is the peak industry body for Australia's electrical and communications contracting industry that employs more than 145,000 workers with an annual turnover in excess of \$23 Billion. NECA's membership consists of more than 4,000 businesses across Australia that sits within our state based chapters.

As a lead player in the electrical training and education sector, maintaining responsibility for the employment, training and skilling of more than 4,000 current and future electricians and contractors through our Group Training and Registered Training Organisations across Australia, the National Electrical and Communications Association (NECA) believes it is well qualified to provide input upon the paper, given our background and experiences.

NECA believes that quality education, skills and training initiatives are critical for the future development of the electrical trade and we welcome initiatives to reform the vocational education and training sector. We believe that the reform and overhaul of the VET sector is long overdue and we are in support of more contestable approaches to the development of training packages and qualifications that enable a greater level of industry input and ownership.

A more direct relationship with industry organisations should foster greater employer engagement.

We remain concerned that the present RTO system has failed to deliver enough quality, job ready graduates with the necessary skills and guidance to meet the needs of industry and encourage the Government to improve the responsiveness of qualifications to address industry concerns.

## Background

The Minister for Industry, The Hon Ian McFarlane MP released a revised set of Registered Training Organisation standards in June 2014, following the inaugural meeting of the Council of Australian Governments (COAG) Industry and Skills Council, held in Brisbane on April 3<sup>rd</sup>, 2014 where Commonwealth, State and Territory Skills Ministers agreed to re-examine standards as proposed by the former National Skills Standards Council (NSSC). This agreement followed feedback from the VET reform consultation process carried out in early 2014.

The COAG Industry and Skills Council meeting agreed to examine three priorities, the third and most relevant point pertaining to this discussion paper being:

- To ensure that industry is involved in policy development and oversight of the performance of the VET sector and to streamline governance arrangements and committees.

NECA's submission earlier this year for the Government's VET Reform Draft Revised RTO standards paper clearly identified that greater industry engagement and ownership is a key ingredient for the successful delivery of industry requirements.

In this submission, in response to Standard 1, asking whether an RTO's training and assessment strategies and practices are responsive to industry and learner needs, we argued the following:

*"NECA shares concerns that in many instances, education and training is either not aligned with or is slow to respond to the changing needs, skill requirements and technological advancements within the electrical contracting industry."*

*"Training and learning needs to be relevant and tailored to future industry requirements and training organisations need to reflect these realities. Greater industry engagement and ownership is a **key ingredient** and the benefits of a fully-fledged industry based RTO is obvious – industry ownership that allows the industry to have direct involvement, driven by the member requirements and paid for through member's funds."*

*"We believe that the RTO must have a set of strategies in place to engage with industry that ensures ongoing relevance of the training programs to meet the needs and requirements of the industry and employers and be able to demonstrate how this engagement has informed and influenced the content of their training programs."*

## **Enhanced Industry involvement in the development and review of training packages**

NECA believes that future industry engagement and consultation is vital throughout the entire development process to ensure that a model for the development and review of training packages can be enhanced with the inclusion of the following features:

- Employer led priority and standard setting

Any new arrangement must meet the expectations of employers and requires employers as front and centre of the development, implementation and review of training packages or standards. Much debate has taken place over the last decade on the best or most responsive structure to deliver this objective. Any new reform must concentrate on this end outcome rather than the process and structure. It is also important to allow employer organisations to engage directly with the national VET system on the qualifications that directly relate to their membership and sector. It is also imperative that the outcome has the support of employers and broad support of other stakeholders.

- Industry-wide defined national standard

A training package with an accepted, industry wide, minimum standard presents an opportunity for employers to not only deliver refreshed skills and knowledge via training into the workplace but also enables greater employment flexibility and movement across the industry in Australia with the one accepted standard.

The standard should include language, literacy and numeracy (LLN) assessments as part of the Readiness Assessments, aptitude testing and hand skills.

A National standard or units of competence should reflect application across all states and territories and be seen to break down present barriers as per present moves with the mutual recognition of licensing.

It is also imperative that the review process encourages an innovative examination of sets of standards and qualifications to meet new workplace arrangements and job roles.

- Minimising complexity and duplication of qualifications to encourage mobility

Given that standards and competencies underpin training knowledge across the electrical, construction and maintenance sectors, we believe that minimising the duplication of qualifications and units of competency will actually enhance skills recognition and foster greater employment mobility across and within these industry sectors.

- New trends and technologies

Industry stakeholders are often better at identifying new and emerging industry trends and we believe that capturing these trends and having the flexibility to refresh training packages to reflect future industry requirements are fundamental to a new contestable model.

- National and State/Territory engagement

Any new model must ensure that industry undertakes consultation with employers and other stakeholders at national, state/territory and regional levels. Successful providers of the service should be measured against the impacts of their consultations on employers and ownership of outcomes.

### ***Further comments***

Enhanced employer involvement in the development of a national standard can be achieved through industry engagement seminars, E-scans, work groups through state industry advisory bodies and technical committees, conferences and validation panels. These must be led by the respective industry associations to ensure that outcomes are owned by employers and not intermediary bodies.

### **Key skills and attributes for training package development**

- Industry experience and technical competence

The development of training packages require a strong understanding of the workforce and occupational needs of industry to ensure that best practice in skills are learned and trained. Technical competence is also a key attribute and a training package developer needs to be able to understand the range of skills and understandings of a workplace to effectively deliver training. This process needs to involve not just “the usual players” but engage across as many employer networks as possible to maximise knowledge and understanding of the opportunities that VET provides the employers and their workforce.

- Streamlining qualifications

A key priority of reform in the VET sector is to ensure that qualifications meet the employment needs of industry. NECA discourages the development of individual sector training packages to encourage simplicity but encourages the strengthening of present packages that provide qualifications across a wide range of industry sectors.

- Encouraging industry Co-Contribution

Industry financial contribution to the development of qualifications should be welcomed and encouraged as a sign of commitment to formalising the skills needed for the sector. It must be recognised that under a new employer model that much of the industry contribution will be in kind and needs to have a range of different levels in industry involved in the development and review process.

#### ***Further comments***

Training packages require flexibility to ensure a match between current and future skills demand and supply. Key ingredients to ensure this outcome are improved communication to all stakeholders, greater industry education – particularly with the relevance of EPC's on training development, technological currency of industry practices and transitional qualifications without duplication.

In addition, NECA believes that a strong understanding of the VET system, industry competence and currency, a commitment to continuous improvement and an understanding of the impact of training package changes can have on an RTO are important features of more efficient and effective training package development.

#### **Input by industry into training packages**

- Direct Industry Engagement

Direct engagement with industry (primarily employers or their representatives) is essential to determine the necessary qualifications required for a future contestable model. NECA believes that the Australian Industry Skills Committee (The Committee), due to be operational in early 2015, should have early and direct engagement with our industry in order to determine the required skill set. Ideally, the committee would make a determination to select the best industry body to represent the industry, following a business case that sets out the rationale so that these skills are considered and recognised. It would then be possible for the designated lead industry body to approach individuals or organisations with specialist skills to develop competencies or standards along agreed industry lines. It is important for industry to be comfortable with organisations or individuals to nominate to do this work through a panel or other structures. No organisation or individual should be placed on a panel unless it has full national industry support.

- Risk based endorsement approach

NECA argues for the implementation of a risk-based approach to industry endorsement. Where a final training package aligns with a business case and quality standards and industry support is agreed, endorsement should be made final. Where agreement is unable to be reached between industry stakeholders, a decision should be referred to the Industry Skills Committee to determine.

- Red Tape reduction

The reduction in red tape is critical to the future success of the VET sector given the significant regulatory burden of the present model. A new contestable model which enables industry stakeholder input, bypassing the role of the present cross industry skills council model and engaging directly with the appointed skills committee should enable a more focussed outcome that reduces red tape burden for the industry. It is imperative that the training package process also be reformed in order to reduce red tape for providers. Currently, the existing industry skills councils cover a number of industry sectors.

- Specialist advice on discreet qualifications

The new model must allow all relevant industry associations to focus their attention on qualifications and standards that are relevant to their membership and areas of expertise. For example, this should allow NECA to focus attention under the new arrangements on the Electrotechnology training package rather than an artificial selection of training packages in an arbitrary sectoral arrangement. NECA does not support a further amalgamation of skills councils to six but rather facilitates a direct engagement by industry and employers on the training package and qualifications relevant to them. This process would allow better engagement by employers and focus attention on areas that are directly relevant to them.

### **NECA's preferred approach to the development of a contestable model**

NECA is comfortable with a hybrid arrangement taking into account approach two and three. In particular, NECA totally opposes incorporation of electrotechnology into a broader construction intermediary body. It is essential that engagement on these issues can be direct focused on the key concerns of industry.

Whilst it is important that the committee with other relevant VET industry governance arrangements adhere to the overall requirements of these standards, it is essential that sectoral industry organisations have the ability to set priorities and undertake the development, implementation and review of training package standards. NECA considers if Ministers agree to a clear set of training package and accredited course standards, this model would enhance engagement with employers.

This may allow employer organisations to form partnership arrangements with other interested parties but this would be dependent on industry breadth, scale and mix of other key national organisations.

Either of these approaches allow for the fundamental principle where employers lead the arrangement but may form partnerships with an organisation or individual under a panel or as a

separate partnership to undertake the work. This process would also need to involve consultation with providers but the outcomes must be employer owned and led.

It is incumbent on the committee to establish clear arrangements for employer organisations, where they are interested in being involved, to maximise industry and employer engagement. This is a significant issue in the current arrangement.

One of the important functions of this process should also be the development by industry associations of the national environment scan. Initially the quantitative and output analysis and could be undertaken by NCVET. Industry organisations could then be engaged for the qualitative input, industry engagement and enhancement processes.

Minister, thank you again for the opportunity to provide comment and feedback for the Government's *Industry Engagement in Training Package development – Towards a contestable model* discussion paper. We trust that our feedback will be carefully considered within your Department's review of training package development and the wider VET sector.

**Yours faithfully**

A handwritten signature in black ink, appearing to read 'Suresh Manickam', written over a horizontal line.

**Suresh Manickam**  
**Chief Executive Officer**