



# **Submission to Department of Education, VET Reform Taskforce**

*Response to VET Reform consultation, from the Local Government Association of Tasmania*

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## **Introduction**

The Local Government Association of Tasmania (LGAT) is the representative body of Local Government in Tasmania. Established in 1911, the LGAT is incorporated under the *Local Government Act 1993* with membership comprising 28 of the 29 Tasmanian councils.

The objectives of the Association are:-

- To promote the efficient administration and operation of Local Government in the State of Tasmania;
- To watch over and protect the interests, rights and privileges of municipal councils in the State of Tasmania;
- To foster and promote relationships between Local Government in the State of Tasmania with both the Government of Tasmania and the Government of the Commonwealth of Australia;
- To represent the interests of the members of the Association generally, and in such particular matters as may be referred to the Association by its members; and
- To provide such support services to the members of the Association as the Association may by resolution in meeting determine.

## **General Comments**

The following submission is based on LGAT's experience with Government Skills Australia (GSA) since 2008, and to a lesser degree experience with the Construction Property Services Industry Skills Council (CPSISC) since 2013.

This submission focuses solely on problems with the structure and processes of GSA and CPSISC and does not reflect the improvements to GSA operations that the state and territory Local Government Associations have achieved by working through our conflicts with GSA. Footnotes in this submission provide some detailed examples of problems we encountered.

Our submission does not identify the many positives we believe exist in the VET system or any issues created because the states and Commonwealth both deliver aspects of VET.

## Skills Councils Structure and Processes

**Problem – The process for selecting the board of Government Skills Australia was not appropriate.** The process did not involve Australia's Local Government Associations and so did not select a Board member who could truly represent the Local Government sector. There was only one board member selected to represent Local Government needs across all jurisdictions, so the selection process was crucial.

**Solution – Eliminate company like board structure.** There does not seem to be value in funding company like structures for a government contractor.

**Problem – The GSA board set the projects GSA would work on.** Boards often have limited ability to consider detail and are better suited to broad direction and oversight. This combined with a lack of Local Government representation limited the utility of GSA projects to the Sector broadly. Some projects appeared to be of relevance only to NSW.

**Solution - Create a group which is representative of the industry sector it is serving, which determines what Commonwealth VET work it will seek.**

The group determining the direction of VET delivery for government should be comprised of persons with experience in their industry sectors and able to represent those members formally, as well as persons with experience in VET delivery. There should be representatives from a number of the states and territories (both large and small jurisdictions) to reflect differences. The role of this group would be to identify when, if and how reviews of Training Packages or other VET Commonwealth projects, really need to be performed.

**Problem – GSA's Industry Advisory Committees did not take advice on the direction and nature of GSA work, from industry.** The timing of GSA's setting of budgets and projects precluded input from Industry Advisory Councils. IACs were used as a 'rubber stamp' for Board and Skills Council staff ideas, giving the appearance that consultation occurred. In project management terms, IACs were looked at as a 'below the line' implementation group.

**Solution – (Repeating) Create a group which is representative of the industry sector it is serving, which determines what Commonwealth VET work it will seek.**

**Problem – Skills Councils are serving their own interests as a contractor.** For Skills Councils, frequent major reviews of Training Packages are in their interest, bringing in more money to their budget. They are often not in the interest of students, RTOs or industry, as excessive change reduces availability of training. Poor grasp of detail by Skills Council staff and the Board structure further reduces their ability to meaningfully contribute. It is felt by the Local Government Sector that Skills Councils have not been managed closely enough.

**Solution – The relevant Commonwealth agency must closely manage Skills Councils or equivalents closely.** If Commonwealth VET work needs doing, the work should be managed as a one-off project. The Commonwealth agency responsible for VET should then seek a contractor on a project-by-project basis in an appropriate and transparent manner. Industry advice on selection of contractors would contribute to confidence and transparency. Funding of Skills Councils should not be of an ongoing operational nature as if contractors were a standing Government agency that will act in the public interest without appropriate oversight. This would reduce or eliminate ongoing operational budget costs and the tendency to 'spend up' to the budget allocation.

**Problem – Skills Councils have failed to apply basic formal meeting processes in the IAC.** No terms of reference were agreed including consideration of what constituted a quorum and decision making arrangements (voting, consensus etc.), timely detailed agendas, accurate minutes or follow up of actions in minutes.

**Solution – (Repeating) The Commonwealth agency must manage its Skills Councils or equivalents, closely,** as per a contractor management model. The relevant Commonwealth agency should manage contractors sufficiently to ensure contractors understand and apply due process considerations.

**Problem – GSA staff status and turn over.** From directors to industry liaison officers, GSA staff turnover occurred frequently. The high turnover appeared to be due to the high amount of conflict caused by poor structure and processes in GSA's establishment. An unprofessional amount of 'scapegoating' of former staff was also noted, including staff that gave an excellent level of service under difficult conditions. One exiting GSA staff member took ownership of a GSA developed service/product for industry when leaving his role, presumably for commercial gain.

**Solution – Manage the arrangements for the contractors/contracting agency closely to ensure professional standard of work.** If persons performing Commonwealth VET work were either government employees or short term contractors working on a specific item of work only, these problems may not occur.

**Problem – Role of union representatives on the GSA board and IAC.** GSA had representatives of only one union with the union Board members being generally over represented. The presence of union officials, in fact one person in particular, resulted in some pointless and highly unprofessional conflicts in meetings. These conflicts were not about training but concerned private reputation, power and interests in the poorly designed and defined structure noted previously. The union representative in question was on the board as well as the IAC. Combined with the structural deficiencies noted, this one man had more power than the Local Government Association representatives to the Local Government IAC.

**Solution – Limit the involvement of unions at the early stage of determining what Commonwealth VET work will be done in an industry sector.** Unions, and to a lesser extent professional associations, represent employees interests and are not necessarily focussed on the industry skills needed across the Local Government Sector. If unions are involved, confine their role to a stage in the process when employers have determined broadly what VET work is required to improve productivity then involve unions. Professional associations have the ability to act in the interests of quality content in training but also seek higher wages for members as a by-product of increasing training levels. In respect of identifying required content in training, professional associations may have an important role to play at an early stage. Only one (engineering) Professional Association played a role in the Local Government IAC. The Local Government Management Association resigned from the process at an early stage. There are a range of other relevant professional associations.

**Problem – Ineffective workforce planning services.** The skills audit service GSA supplied to industry was at too high a level and failed provide new information to employers. The money may have been better spent helping individual employers access experienced workforce planning consultants that could work on that employer's unique circumstances. Good workforce planning will objectively find the problems first, before leaping ahead to any solutions like training. With Skills Councils being a VET training organisation, their advice is likely to be biased towards recommending VET training.

A similar experience was provided by the ACEGL in relation to the workforce survey and database. Data obtained did not add value for the sector generally or individual councils specifically. The project could have delivered vastly improved outcomes if LGAs and councils were seen as the key stakeholders (as opposed to Commonwealth and State Government interests).

**Solution – Do not allow Skills Councils to expand in areas that are not their core business,** which are duplicated, and which are likely to lead to a conflict of interest.

## **Grants Structure and Processes**

**Problem – The Commonwealth does not give enough notice to the States when allocating money to them to distribute as VET training grants.** Our State Agency then passes on extremely short and foolishly timed deadlines to industry. In our experience in 2104 this more than halved the participation in grants applications to Skills Tasmania from our sector.

**Solution – Consider the end user as more important to determining the timing of grants than political or bureaucratic cycles.**

**Problem – With training grants (National Workforce Development Fund) the percentage contribution from employers is too high**, and is insensitive to an employer's EFT size - so the grants are not fully utilised.

**Solution – Create more percentage contribution bands with grants that are based on EFT size, to assist SMEs particularly to access grants.**

**Problem – With training grants (National Workforce Development Fund) the reporting requirements from employers are too high** and so the grants are not fully utilised.

**Solution – Streamline reporting requirements with grants for employers to an absolute minimum to assist SMEs particularly to access grants.**

## Training Packages

**Problem – Training Packages fail to specify key skills and knowledge in the area of law.**

Training Packages deal with legal considerations by largely defining them out of the training, or stating extremely briefly that the law is a consideration but specifying absolutely no detail. Local Government delivers in a strict regulatory context. Key legal concepts need to be articulated in a competency based qualifications for Local Government, or these skills will not be taught by RTOs and trainers, and the absence of these skills will not be noted by AQF auditors.

It is likely that this omission occurs largely because the groups convened to perform this work are 'high level' and do not have the skills or knowledge necessary to perform this development work. Developers of AQF structures should be experienced in the areas of work to which the Unit Descriptor they are developing relates.

The difference in detail among jurisdictions is used as an excuse to avoid the work that experienced people could do to identify and agree on key regulatory concepts on which trainers could guide student research. In the Local Government context, training that avoids the law presents unacceptable liabilities to employers. If the training does not help an organisation discharge its legal responsibilities, then the training fails in its highest priority. If legal requirements are largely defined out of Training Packages and the VET AQF system, employers have to go to unaccredited sources for training, and are not likely to receive funding assistance for crucial staff compliance skills and knowledge.

**Solution - Training Packages content should include sufficient specification of legal considerations.** An acknowledged weakness of our competency based system is how underlying skills and knowledge are dealt with. For Local Government, legal considerations underlie much of the VET training required by our sector. Those creating VET qualification structures should be regulatory staff skilled in applying the law day-to-day, and on some occasions, legal professionals with knowledge of Common Law, statutory interpretation and rules of evidence. The jurisdictional differences in laws are sometimes used as an excuse not to teach this aspect. Knowledgeable people will be able to identify the key considerations when applying the law which are common across the jurisdictions and put these in as Performance Criteria. Only when trainers see these skills and knowledge in Performance Criteria will they structure appropriate research tasks for students in their jurisdiction(s), to locate the specific provisions and applying them correctly.

**Problem – Training Packages fail to specify key skills and knowledge in the area of all sciences.** A commonly acknowledged weakness of the competency based system is how poorly underlying skills and knowledge are dealt with. Underlying scientific skills and knowledge should form the basis of much of the VET training required by our sector. Training Package Unit Descriptors focus on superficial administrative understanding of processes, rather than the skilled work that goes on within a timeframe. As a hypothetical example, consider this statement as a typical element of competence: 'research energy efficiency considerations, apply energy efficient considerations and document energy efficient considerations'. This superficial statement is entirely useless to understanding what these energy efficient considerations might be, for AQF auditors, RTOs, trainers and students. Unit Descriptors sometimes include mention of sciences as underlying skills but do not specify the key areas to learn as an Element or Performance Criteria.

As noted above in relation to law, it is crucial that people knowledgeable and experienced in the application of the sciences to areas of work be central in the development process. Training bureaucrats should play as little role in the process as possible and not have authority over anything but training package format.

Also it is nearly always the case that the Unit Descriptors will not deal with whether these skills should be present before the student enrolls, and if enrolment can or should be refused without proof of pre-requisite skills, where these skills will come from, how their presence is assessed, or if the skills are somehow supposed to be achieved in delivering the Unit as an extra. If skills and knowledge are not specified in a competency system where all aspects must be, no amount of quality auditing, RTO processes, or trainer skills and knowledge can ensure delivery of the skills. Solution - Solution - Training Packages content should include sufficient specification of key concepts in science required to perform work.

## Delivery

***Problem – Funding from the Commonwealth (and State) to subsidise training delivery costs to industry does not sufficiently assist regional and isolated areas, e-learning and distance delivery, nor small to medium sized enterprises.*** Distance training is vital to isolated employers (e.g. Flinders Island Council), regional employers (majority of Tasmanian councils), employed people and their employers, and to employers, staff and students studying qualifications that do not have high numbers of enrolments and profitability to RTOs.

Only a tiny fraction of funding assists development of e-learning and other forms of distance training. The Commonwealth requires that any funded learning materials be shared free with RTO competitors. The same is not true of face-to-face class training. Those trainers are not required to share their mental resources with their competitors. The result is that the money is used defensively, making resources which are of no use as distance content among competing RTOs. Instead of resources for training students, resources tend to be aimed at face-to-face trainers, and repeat skills. Trainers must necessarily know from their Cert IV training, i.e. – what to train students in from reading the specifications of a Training Package. Where attempting to create resources for students, it has been observed that many resources merely re-state the skills specifications in a Training Package.

As noted these are too superficial and broad to form a structured learning experience. For example, for a performance criteria like 'Apply legal considerations with regulatory work' these deficient resources will present a question to a student like 'What are the legal considerations in regulatory work?'. Without considerable background knowledge, which is often not included in Training Packages specifications in any meaningful way, asking this question is the equivalent of saying what do you think you already know. Why bother having training?

***Solution – Allocate some money to (distance) training resource development, not generic resources to help trainers understand what they should already know about the VET system, by repeating the contents of Unit Descriptors.*** Trainers should understand this written material already through the Cert IV in training used to qualify trainers for their role. Tasmania operates one large TAFE and there are many advantages in terms of resources and professional expertise to this approach that other States might consider. Distance learning suits many employers and employees, as learning can occur in free time and in locations outside of the major cities. Once material is written delivery is a very efficient process that can survive in thin markets and through fluctuations in enrolments. The material can be adapted to classwork, the reverse is not as easy.

***Problem – (Concerning our State's delivery of VET training grants) RTOs taking lead in managing training grant applications, rather than industry, disadvantages SMEs and smaller RTOs.*** In Tasmania, the Skills Fund grant requires RTOs to manage the grant application process, and requiring one application per RTO, leads to a situation where larger RTOs are given an advantage, and smaller employers with small number of trainees are at a big disadvantage because their proposals will bring little money to the RTO for the same amount of administrative work in applying and managing the grant. RTOs are in the best position to report to Commonwealth and State on student data, while employers and industry associations are in the

best position to identify quality or other day to day issues with the RTO. Government agencies administering grants should seek information from those able to supply it.

**Solution – Ask the States to create some grant structures which do not discriminate against SMEs and smaller RTOs** and that seek only appropriate amount of reporting information from parties that have that information.

## **Conclusion**

The Local Government Association of Tasmania would like to thank the Department of Education for the opportunity to contribute to this VET Reform review. LGAT and our member councils benefit from the national coordination of the vocational education and training system. LGAT would welcome the opportunity to continue to be involved in helping the Department to coordinate the VET system as it relates to our industry sector.