

23rd July 2010

## Submission into the Senate Inquiry into Industry Skills Councils

The following submission is my opinion based upon my years within the industry whilst actively employed in an Industry Training Advisory Council (ITAB), Industry Skills Councils (ISC) and Commonwealth Agencies. It is produced in the interest of improving the functions of the Industry Skills Councils as a whole and to refocus on the tasks that they were initially developed to do. ISCs need to fully comprehend the concept that they have been set-up to support the end user, the student.

Industry Intelligence appears to be not being collected by frontline industry specialist

It is from my experience from years within the industry that Industry Skills Councils (ISC) have focused on large training providers, and have spent very little time and effort with industry subject-matter experts that are actively carrying out the tasks. Tasks that - once documented - eventually become endorsed competency standards.

Some ISCs employ the use of road shows to seek feedback around Training Package development through focus groups, however a large component of the attendees are from Training Providers and not from real industry people carrying out genuine industry specific tasks. The growth of 'online' feedback functions are further seeing less and less industry people submitting their advice and more 'in-the-know' training providers logging in to contribute. This modus operandi - over time - ultimately produces a standard that is sterile to the industry and becomes out-of-touch, irrelevant and unusable.

I still maintain the use of Training Providers for consultation is satisfactory however an equal blend with industry specialists is required to have a more calibrated response. In my opinion and from what I have witnessed this does not occur.

Board Members are representatives of their industry, not representatives of the ISC

Board members of ISCs are mostly chosen from industry sectors and while this is partially a good thing, some have done very little to delve into being an advocate for the ISC initiatives. Some Board members have been chosen due to the influence of the big name organisation in which they represent and not by their skills that are required to guide such a council through their activities.

Projects are often completed and shelved with all financials cleared by the Board however very little effort is made to establish the effectiveness of the outcome. Furthermore, very little accountability into the funds spent on activities such as launches and reports being written by known consultants, and what were gained as a result of such efforts.

## ISC Commercial Operations

It must be highlighted that the Industry Skills Councils, and in particular Innovation and Business Skills Australia (IBSA) are not-for-profit agencies that are generously funded by DEEWR and core role is to support the Training Industry as a whole. The area of materials produced by the Industry Skills Councils commercial divisions should support areas of training where limited resources currently exist; this direction is in the interest of the entire training industry – ultimately filling in the gaps. This is simply not taking place. It must be noted that the reason for private publishers not having materials available for these areas is because of the small uptake in trainee numbers for particular industries; it is not commercially viable nor it is in their constitution for private learning resource developers to spend 30K on the development of quality materials to return 10K.

For example; a not-for-profit organisation such as IBSA have recently produced materials for Business Services even though there were already a substantial number of private publishers competing in the that same market space. In the beginning, the Council had a choice of a number of industries to focus their efforts and funding surpluses, however when there are no Cultural Industries materials available it would be in the industries best interest to have them produced. Producing materials in high end areas is to clearly capitalise on the iniquitous commercial advantage of foresight of draft Training Packages to make a profit – a profit that contradicts with their constitution and is advantageous of private publishers.

The Industry Skills Councils must use their Commonwealth provided tax payer dollars and any surplus from other activities on supporting the industry in which they are representing by picking up the slack, not muscling out existing economy supporting, employee retaining and taxpaying organisations such as the large publishers.

The current activity weakens the business case of private developers and will ultimately end with these important organisations steering their investment dollars into higher education. It is because of what is seen to be uncompetitive behaviour; it will no doubt leave VET unsupported and in an inferior position.