



Hon Peter Collier MLC
Minister for Energy; Training and Workforce Development

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

Please find attached the Western Australian Government response to the Senate Inquiry into national Industry Skills Councils.

It is acknowledged that the Industry Skills Councils play an important role in providing integrated industry intelligence and advice to government and enterprises on workforce development and skill needs, and supporting high quality training and workforce development products and services including training packages.

The WA Government considers that while most of the Industry Skills Councils provide a good service there are inconsistencies, particularly in relation to consulting nationally, when developing and validating training packages to ensure industry relevance and stakeholder support for the final product.

Thank you for providing me with the opportunity to comment.

Kind regards

Hon Peter Collier MLC
MINISTER FOR ENERGY; TRAINING AND WORKFORCE DEVELOPMENT

Att. 17 AUG 2010

SUBMISSION TO THE SENATE INQUIRY INTO INDUSTRY SKILLS COUNCILS

(a) the role and effectiveness of Industry Skills Councils (ISCs) in the operation of the national training system particularly as it relates to states and territories and rural and regional Australia

- *Staff changes in ISCs*

In the last 12 months there have been many staff changes in the ISCs and it appears that new staff do not always receive appropriate professional development/training regarding Training Package Development Handbook policy requirements. A lack of adequate knowledge and understanding of implementation impacts on the quality of the development and endorsement process for Training Packages.

- *Quality Assurance*

The quality of products developed by ISCs often varies. Many provide flexible, responsive Training Packages with clear rules in a format which all stakeholders can easily understand. However, attention to detail is critical, particularly when the work entails a large body of qualifications. Given the nature of the continuous improvement process and the push for speedy implementation of new qualifications, checking the accuracy of final drafts is essential. Skills DMC and Transport and Logistics consistently produce products of high quality. On the other hand, Training Packages with extensive lists of entry requirements for qualifications or skill sets, and/or numerous pre-requisite units are overly complex and difficult to implement.

Given the increased scope of work required of ISCs in terms of workforce planning and development, it is essential that this does not occur at the expense of quality training package development.

Under the current arrangements, ISCs are required to load accurate, quality assured data onto the NTIS, using the Content Authoring Tool (CAT). However, many ISCs are not using the CAT to load data onto NTIS and only 25% of data is available in this format. ISCs often provide data in PDF but this is incompatible with the Western Australian system. There are also inconsistencies in the format of the data. Both these issues impact greatly on speed to market for implementation of new or revised qualifications.

- *Continuous Improvement of Training Package Plans and Processes*

Plans and processes should be on the ISC website, currency should be maintained and ISCs should carry out the plans and processes as proposed. This is not always the case and it is often difficult to locate the plans and frequently they are not updated.

There are also delays by ISCs in correcting errors in Training Packages, such as incorrect pre-requisite units listed and correcting 'critical' errors with core units.

It is acknowledged that ISCs are often swamped with competing priorities from the national committees to whom they report, industry and other key stakeholders. Therefore quality planning by the ISCs is imperative so they can respond accordingly.

- *ISC Upgrades*

It is critical for Registered Training Organisations and State Training Authorities to be informed when upgrades have occurred and what has been changed. Many ISCs do not notify anyone of these changes. If Registered Training Organisations are not aware of changes, the changes will not be implemented.

- *State Training Authority and ISC Relationship*

Western Australia has established relationships with all ISCs but some ISCs engage in greater face-to-face contact and liaison than others. This enhances the relationship and communication between parties. Relationships are also enhanced when products developed are of good quality, meet the Training Package Development Handbook policy requirements and, in particular, when the developers are willing to listen to both industry and Registered Training Organisation advice on quality and ease of implementation of products. Examples of good relationships are with Transport and Logistics, IBSA, Skills DMC and Forest Works.

(b) *accountability mechanisms in relation to Commonwealth funding for the general operation and specific projects and programs of each ISC*

The ISC requirements are specified by DEEWR and it is their responsibility to undertake project/performance management of the ISC. There is no opportunity for the sector to provide feedback to DEEWR to inform the performance management arrangements. In addition, there is often no distinction between special projects and core business because DEEWR does not provide that level of specification. It would be useful for the stakeholders to know these specifications.

(c) *corporate governance arrangements of ISCs*

Membership on the ISCs' Boards of Management are often not representative of the diverse range of stakeholders in their industry areas and, within that, some industry sectors appear to have more influence than others. Unless DEEWR invests in building the capacity and capability of the ISC network, there will always be inconsistencies and ad hoc arrangements.

The Boards of Management should oversee each ISC arrangement. The Boards are obliged to ensure that the ISCs are solvent and offer high quality products.

(d) *Commonwealth Government processes to prioritise funding allocations across all ISCs*

There are instances where the key national stakeholders, such as NQC, NSOC, MCTEE, have introduced new policies without considering their impact on ISCs and their capacity to undertake and implement the changes beforehand. Examples are the rationalisation of Training Packages, the inclusion of green skills in Training Packages and implementation of recommendations from the

VET Products for the 21st Century. These strategies have been unclear and often have unintended consequences, such as negative impacts on Registered Training Organisations and community and stakeholder confidence.

(e) *ISC network arrangements and co-operative mechanisms implemented between relevant boards;*

Not all ISCs have developed appropriate networks with all States and Territories. Their provider groups in Western Australia often do not have suitable representatives on them because of cost and transport issues.

Where there is a heavily regulated industry, the ISC is well represented by the regulators and work very closely with these regulators, with very good results.

In Western Australia there are 10 Training Councils. Their role includes providing leadership in promoting training to industry; supporting innovation and workforce development; and providing forward looking advice to State and Commonwealth Governments on training needs and priorities for public funding. Integral to the Training Councils' role is receiving high quality intelligence from and consultation with the ISCs.

Feedback from the Training Councils on what constitutes a successful working relationship with ISCs includes:

- consulting with the Training Council regularly
- arranging for face to face visits and inviting the Training Councils to attend ISC meetings in the Eastern States. In some cases the ISC pays for the airfare and accommodation when meetings are held in the Eastern States.
- engaging with Training Councils regarding development/amendment to Training Packages
- providing cost recovery funding to the Training Council to coordinate Western Australian industry and Registered Training Organisation input into Training Package development
- consulting on EScan and project consultations, predominantly through face to face workshops
- inviting input into national industry workforce development plans and joint national industry responses to national training system issues
- consulting with the Training Council when visiting Western Australia and inviting the Training Council to meetings with the State Training Authorities.
- working in partnership with the Training Council on all training package reviews and continuous development initiatives.

Feedback from the Training Councils on what constitutes a poor working relationship with the ISCs:

- there is a lack of communication
- they fail to represent the views of local stakeholders
- they are not inclusive

- there is a lack of cooperation
- the ISC does not know how to use the Training Council as a resource
- they do not engage with the Training Council on any pre-planning initiatives
- there is no Memorandum of Understanding with the Training Council
- they do not ask for input on the EScan
- they do not conduct a national ITAB network for some industry areas
- they focus on particular industries thus disadvantaging other industries

(f) the accrual of accumulated surpluses from public funding over the life of each ISC's operation and its use and purpose

It is understood that some ISCs may have accrued surplus funds and it is considered that the ISCs should be required to provide annual financial reports to NQC and/or NSOC. This would enhance and provide additional accounting measures. Where ISCs have accumulated significant surpluses these should be directed to the development of products and services to benefit the industry sector/s that the ISC represents and should be factored into ongoing funding arrangements.

(g) the effectiveness of each ISC in implementing specific training initiatives, for example the Skills for Sustainability initiative under the National Green Skills Agreement

It is about the capacity and capability of ISCs. ISCs work on multiple initiatives that bodies like NQC, NSOC request. These bodies need to consider the capacity and capability of each ISC to deliver these initiatives.