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Topic – VET beyond 2010: next steps in reform

Introduction
The work I’ll discuss with you today recognizes the important synergies between the human capital agendas of -

- the Council of Australian Governments (COAG)
- Ministers responsible for vocational education and subsequently tertiary education

AND

- the National Quality Council’s work to create standards for a high quality training system, and set Training Package policy.

Current policy reforms are multiple, multi-faceted and ambitious. A number of significant policy imperatives are being pursued, in part through the updating of the design of Training Packages.

While Training Packages alone do not drive the quality of VET, their reform is a key plank in the NQC’s drive for better outcomes from our training system.

Reform of VET products
The VET Products for the 21st Century Report was jointly prepared by the National Quality Council and the COAG Skills and Workforce Development subgroup. It was the result of over 12 months work, consultations with over 500 stakeholders and 30 odd submissions. Many of you would have contributed to this process - thank you.

The report was agreed by Ministers responsible for vocational education throughout Australia in June 2009.

Making more workable ‘VET products’ suitable for a client driven system - which are flexible, responsive to the changing needs of employers, individuals and workplaces - is paramount.

Why reform now?
The time is right for reform.

Training Packages were introduced in the late 90s, shifting the emphasis from the learning strategies of curricula to the outcomes of a qualification – the performance standards expected in the workplace as a result of the training.

Despite over 10 years in use, some people still mistakenly think Training Packages are imperfect curricula.
A quote from the past that sums up this difference well, states that Training Packages...

“....regulate the outcomes and deregulate the ways of achieving those outcomes.”

Research in the consultation phase of the VET products for the 21st Century work showed overwhelming support for the concept of Training Packages, but acknowledged the need for improvement.

“The complexity is about to destroy what is fundamentally a good idea”

As part of natural change over the years, Training Packages have taken on different roles, adding detail and density. They are now not consistent in form, or as flexible and responsive as they need to be.

They have in some ways unintentionally begun to restrain instead of encourage innovation in training delivery.

While research found that the basics are sound, we need to stretch the Training Package concept. A redesign will allow the product to keep pace with the changing expectations of different clients –

- The ultimate clients – real end users such as industry and individuals
- Clients using the product along the way – State Training Authorities, RTOs, registering and auditing bodies
- And macro level clients – Government, and policy makers with the broader human capital and productivity imperatives

Let’s pause there to acknowledge the push and pull created by the sometimes competing objectives of each of those players. While the picture is one of positive policy reform for them all, it is not without its deeper complexities and challenges.

**Policy themes**

The VET products report has 24 specific recommendations, which can be grouped into a number of policy themes.

*SLIDE 1 - Themes*

- Flexibility
- Streamlining of Training Packages
- Competency and knowledge
- Foundation skills
VET products for 21st Century - Themes

- Flexibility
- Streamlining Training Packages
- Competency and knowledge
- Foundation skills

Policy purposes within these themes include –

- Encouraging demand, not supply, driven training
- Improving efficiency, reducing duplication
- Creating workforce mobility
- Improving the quality of training delivery and outcomes
- Creating better social inclusion
- Increasing pathways to and from VET

Considering each of the 4 above themes separately –

**Flexibility**

Flexibility is about choice and options.

Consultations revealed overwhelming support for Training Packages and Accredited Courses to form the single organising framework for qualifications. But there was agreement to harmonize packaging rules, to allow greater flexibility via the widest possible choice of elective units within and across Training Packages and accredited courses.

So a measure of the volume of electives and the source of electives was created.

On first glance it appears counter-intuitive and a bit blunt to encourage flexibility by introducing a standard measure. But agreeing a level that represents ‘flexibility’ was a necessary starting point. Perceptions of whether Training Packages were or weren’t flexible varied widely, and with no evidence base, the arguments persisted.
The NQC agreed that for Training Package qualifications -

- The *volume* of electives should be $\frac{1}{3}$ or more
  
  ISCs as developers of the product build this into the design of qualifications.

- The *source* of electives **CAN** be up to $\frac{1}{6}$ of the total units from elsewhere – another Training Package or from an Accredited Course.
  
  ISCs write this into the Training Package, **BUT** RTOs choose to use this extra flexibility **if needed** to meet a particular client need.

These proportions acknowledge the need to balance the integrity of the outcome and the comparability of qualifications...with a desirable level of flexibility for clients.

It is important to note that these new flexibility packaging rules won’t apply for every Training Package qualification.

ISCs have nominated exemptions for qualifications for licensed, regulated and trade occupations. Business cases from ISCs for exceptions from the proportions in other very specific circumstances are also being considered. This acknowledges there are sometimes valid reasons for less flexibility, and these will be reviewed over time.

The timeline for implementation of these changes is –

- High use qualifications have been updated by 30 June 2010
- The remainder to be done by 31 December 2010
Good progress has been made with ISCs already updating about 40% of Training Package qualifications eligible to introduce these 1/3 and 1/6 proportions.

I encourage you to check if qualifications you use have been updated yet. And if so, to contemplate whether you might want to utilise the extra flexibility you now have to offer clients more choice.

**Streamlining of Training Packages**

Streamlining is about simplifying, segmenting and shortening, to make Training Packages more fit-for-purpose.

This is a major area of reform for the NQC. We aim to agree on the new design model - how streamlined Training Packages will actually look and work - by the end of 2010.

Key to this work is the separation of performance criteria - which make clear the standards required in the workplace - from supporting information. Both have tended to add bulk and density to the product over the years.

**SLIDE 3 - categories within a streamlined Training Package**

Clearer categories of information will be –

- Units of competency – these will be reduced to reflect the essence of the performance expected as an outcome of training
- Qualifications – information on course requirements, packaging rules etc.
- Assessment requirements – a place where any necessary approaches to assessment can be stated clearly.
• Credit arrangements – specific arrangements for individual Training Packages, and any future national approaches to credit transfer and/or articulation.

A separate Companion Volume will contain the necessary supporting information – the ‘how to’ for implementing the Training Package. This will provide highly valuable guidance for those who use them - teachers, trainers, others in RTOs, auditors.

Importantly Companion Volumes won’t tell trainers how to train – that relies on their own specialist skills and professional judgment. But it will allow RTOs to contextualize the training standards to meet their clients’ needs.

Training Packages will become more usable, more navigable…easier to find and understand what you need to know to deliver high quality training.

Competency and knowledge

A third theme addresses the meaning of competency.

The demonstration of competency in terms of workplace experience has been emphasized in the VET system.

The definition of competency has been updated to reflect the -

“...consistent application of knowledge and skill to the standard of performance required in the workplace. It embodies the ability to transfer and apply skills and knowledge to new situations and environments.”

Competency and knowledge are not oil and water – they are compatible. Overcomplicated theoretical arguments about the concepts sometimes put the two at odds. Put simply, both are needed in the workplace and therefore both have a place in the tertiary education sector – VET and higher education.

Knowledge requirements can and do already exist in units of competency. The VET products report confirms the need for identified knowledge and preparatory units in Training Packages.

The new definition helps develop a more uniform understanding of competency, by simplifying and strengthening its meaning. Most importantly is what this updated definition really means for the way you think about developing the competency of students and workers.

The NQC welcomes further discussion of the extent to which occupational competence is sufficient to build the levels of foundation skills and the deeper and broader attributes and capabilities required for the changing labour market of Australia and beyond in the 21st century.
Foundation skills

Another of the strong themes in the VET Products for the 21st Century report is that there should be a more systemic focus on preparatory and enabling qualifications in VET.

This responds to overwhelming evidence of the need to improve the “Foundation Skills” of the workforce - the core skills of reading, writing, oral communication, numeracy and learning, along with employability skills.

Product focused solutions – the development of qualifications or courses - cannot by themselves solve this significant national problem. There is also a clear need to improve the practice side of the equation - the diagnosis of need, the contextualising and delivery of the training.

The Australian Government has committed to developing a National Foundation Skills Strategy by the end of 2011. This National Strategy will provide a framework for Foundation Skills provision across all jurisdictions for the next decade.

The NQC has recently agreed to further work examining how Training Packages will help to better address Foundation Skills, within that more national approach.

How do other policy reforms fit in?

It’s a good time to reassure you that all this focus on VET products isn’t being done in a vacuum, devoid of other policy developments in VET.

AQTF

Change is also occurring for the AQTF. Some key themes are -

- Entry to the RTO industry – supporting a quality market by having newcomers demonstrate their capacity and capability to deliver quality.

- Financial viability – protecting the clients’ investment in training, by asking for assurance of the investment the RTO has also made.

- Capability of assessment – a stronger focus on quality assessment as the measure on which the awarding of a qualification is decided.

There again is that focus on assessment, complementing the new section within Training Packages I mentioned that is devoted to clear information about assessment requirements.

Indeed the reforms underway to improve regulation systems won’t succeed unless the various parts make sense together in a broader policy context.
In the late 90s, Training Packages and the AQTF were described as the bookends of Australia’s training system.

But what was in the middle? What were the bookends holding up? What was supporting the ‘standing’ of the quality standards required by Training Packages and the AQTF?

The importance of building professional practice to bring together both the bookends appropriately and to best advantage can’t be underestimated.

The professional practice of...

- Teachers and trainers
- Assessors
- Auditors and regulators

...is the glue that binds together the quality standards of products on one hand and regulation on the other, to create better outcomes for students and industry.

So change is happening, in a complementary way, in the –

- Product arena – improving quality through the *VET products for the 21st Century* reforms
- The professional practice space – supporting and encouraging the high quality performance of teachers and trainers, including through new qualifications such as TAE10.
- The systems for quality – new requirements for the AQTF and a comprehensive review underway of the AQF.
The Future

Let’s think now about the future – both of VET in Australia and of the role of bodies such as the upcoming National Standards Council.

VET in Australia

I’m sure the importance of education and training, to the economic and social outcomes for individuals and Australia as a nation, are pretty obvious to all of us in this room.

At times the complexity of the sector and its lack of distinct identity in the public’s eyes belies its national importance – for productivity and growth, and for social inclusion.

The NCVER recently published essays from a variety of commentators on the future of VET. They are thought provoking, and include the views of Virginia Simmons, who you will recognize as a key contributor to TDA’s work over many years and until recently a member of the NQC.

How can the current appetite for reform be harnessed to shape a brighter future for vocational education?

In my mind some key questions include –

- How do we make sense of the many different but valid purposes of VET within the formation of a broader tertiary education sector?
- How do we exploit the opportunities this will offer at the same time as managing the challenges?
- What are the new national priorities where more focus is needed – the underdone or missing bits in the puzzle?

What role can we - you and I - play in finding some of the answers?

National Standards Council

The NQC or National Quality Council of which I am Chair is due to cease operating in late 2010 or early 2011.

This raises the opportunity to take a fresh and more holistic view of VET and the quality standards we all aspire to.

The National Standards Council will report directly to the Ministerial Council for Tertiary Education and Employment (MCTEE) on national standards for regulation, such as -

- standards for data (including data collection, assembly and dissemination).
- standards for training providers (against which training providers are regulated);
- standards for training products (training packages and accredited courses);
- standards for the operation of regulation.
Conclusion

So wrapping up to draw some of the threads together...

I touched on the importance of your own professional practice in utilising and making the most of VET products and VET systems.

Let’s end with some important questions for the future.

- How can national policy makers, like the new National Standards Council, improve the capability and professional practice of the system, as part of improving quality?
- What’s your responsibility to build your own personal skills and capabilities and also that of your organisation?

And some points where I do have a clear answer....

- The human capital argument we started with for the wider economy and society, applies equally to your own industry....YES.
- We can’t achieve quality skill outcomes for clients if you don’t build the skills of the VET sector itself.....YES.
- There are opportunities to be realised within the range of reforms and change occurring.....YES.

The NQC’s aim in driving the current reform of VET products is to address some of the complexity, and in doing so provide clearer ground for the inevitable challenges of the future.

Thank you.