



NATIONAL  
QUALITY  
COUNCIL

# VET PRODUCTS FOR THE 21<sup>ST</sup> CENTURY

Final Report of the Joint  
Steering Committee of the  
NQC and the COAG Skills  
and Workforce Development  
Subgroup - June 2009

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## Contacts

NQC Secretariat  
TVET Australia  
L21 / 390 St Kilda Road Melbourne VIC 3004  
Telephone: +61 3 9832 8100  
Email: [nqc.secretariat@tvetaustralia.com.au](mailto:nqc.secretariat@tvetaustralia.com.au)  
Web: [www.nqc.tevetaustralia.com.au](http://www.nqc.tevetaustralia.com.au)

## Disclaimer

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# Letter from the Chair

June 2009

This report is the culmination of more than 12 months of work by a Joint Steering Committee of the National Quality Council (NQC) and COAG's Skills and Workforce Development Sub-Group. I acknowledge the members of the Joint Steering Committee and in particular its Chair, Ms Megan Lilly, for undertaking this significant piece of work. I also extend thanks to the 500-plus VET stakeholders that participated in the consultations and Australia-wide public workshops, which provided the Joint Steering Committee an evidence-based foundation for its work.

The policy framework presented in this report, and its supporting recommendations, indicates broad support for the key pillars of Australia's VET system: one single national system, with industry-determined outcomes relevant to work, reflected in nationally portable qualifications.

It does however signal some key areas of reform required to ensure Australian VET can accommodate the diverse needs of businesses, industry and individuals, particularly:

- The need to revise the current definition of 'competency' to embody the ability to transfer and apply skills and knowledge to new situations and environments.
- A restructure and streamlining of Training Packages including separating the performance standards from guidance and supporting information.
- A full review of packaging rules as applied in Training Packages to ensure maximum flexibility and consistency within and across Training Packages and Accredited Courses.
- Establishment of a joint working group of the NQC and the Australian Qualifications Framework Council (AQFC) to investigate introducing a national credit system.
- A stronger focus in VET products on preparatory and enabling qualifications, and Language, Literacy and Numeracy requirements.

The Ministerial Council for Vocational and Technical Education (MCVTE) has endorsed this policy framework, subject to three additional recommendations (see page 7) and the National Quality Council has established an Action Group to implement its supporting recommendations.

The NQC is committed to ensuring the VET sector is responsive and adaptable to the changing needs of industry, business and individuals and looks forward to overseeing the improvements that will flow as the new framework is implemented.



**Patrick McKendry**  
Chair, National Quality Council

# I. Executive Summary

Recognising synergies between the Council Of Australian Governments (COAG) agenda to deliver significant improvements in human capital outcomes for all Australians and the planned National Quality Council (NQC) work to identify improvements to Training Packages, in mid 2008 a Joint Steering Committee (JSC) of the NQC and the COAG Skills and Workforce Development Sub Group was established to bring the work together in a joint project called 'VET Products for the 21st Century'. This report summarises the work conducted by the JSC and presents a Proposed Policy Framework and related recommendations to achieve these objectives.

## 1.1 Terms of reference

The Joint Steering Committee was charged with the responsibility of ensuring that nationally recognised training products within the VET sector are flexible and responsive to changing industry, business and individual needs and workplace practices. Improving outcomes for clients included work on improving the design of units of competency, Training Packages, VET qualifications, accredited courses, credit systems and recognition arrangements to support reforms for a more client and demand driven system. In particular, the JSC was to develop a policy framework to enable VET qualifications and products to:

- meet the needs of businesses and industry; and
- equip individuals with broadly based skills and knowledge.

## 1.2 Methodology

The project sought to address issues identified by the Joint Steering Committee as fundamental to the policy framework for VET training products including:

- the way in which competence is currently defined and assessed in the Australian vocational education and training (VET) system;
- the kinds of qualifications necessary to meet the needs of and ensure consistent outcomes for the diverse groups of learners in the VET system;
- the extent to which the needs of individual enterprises are being effectively met by the current VET products;
- the structure of National Training Packages; and
- credit systems.

The project was completed through a two stage consultative process. In the first stage a draft consultation paper was developed and then refined through consultation with key peak body stakeholders. A paper was also commissioned from NCVET to support the consultation process, *Competence and competency based training: What the literature says*<sup>1</sup> and should be read in conjunction with this report.

In the second stage, feedback on the issues and options presented in the refined consultation paper was sought from VET stakeholders more broadly through a second round of targeted consultations, public workshops in each State and Territory and a written submission process. Pending the establishment of the equity peak body, the National VET Equity Advisory Council (NVEAC) a complementary targeted consultation regarding equity considerations was also undertaken. In parallel to these consultation processes, a number of Industry Skills Councils were invited to conduct some exploratory research to test the capacity of the current Training Package model to provide solutions to meet the training needs of particular groups of learners.

Over 500 people attended public workshops or participated in the various consultations. It was also clear that many of the 35 submissions received were from organisations that had themselves consulted others, and sometimes quite widely.

## 1.3 Meeting diverse needs

Although not identical, the JSC sees a convergence of the needs of business, industry and individuals in relation to boosting participation and productivity. During the consultation process, businesses and industry indicated strong support for the continuation of Training Packages and accredited courses as a single national framework.

The increasing flexibility of the latest Training Packages is also highly valued and accredited courses are seen as having the capacity to meet the needs of niche markets and emerging and converging industries or technologies. This enables training and assessment methodologies to be better customised to meet the diverse needs of employers and individuals. However, there is still room for improving responsiveness.

The JSC acknowledges that literacy, numeracy and other foundation skills are the building blocks of

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<sup>1</sup> available at [www.nqc.tvetaustralia.com.au](http://www.nqc.tvetaustralia.com.au)

human capital and COAG has established *the literacy and numeracy levels of working age people in national and international surveys* as an indicative performance measure. Rapidly changing labour market demands (including the impact of structural change in the economy and the economic cycle) mean that workers will need to be able to adapt to new roles related to their current occupations and rapidly acquire new skills and knowledge to change jobs.

Each year, the publicly funded VET system provides programs to over 1.6 million students, the vast majority of whom are engaged in VET to achieve vocational and labour market outcomes. It engages with thousands of enterprises to deliver these outcomes. Those 1.6 million VET learners are comprised of a diverse range of groups. The diversity is likely to grow if participation levels rise consistent with the COAG outcomes. The VET system is therefore a key mechanism for delivering the nation's productivity, workforce participation and social inclusion objectives. If the VET sector is to meet national participation and productivity targets and ensure that it maintains its strong reputation of making a difference to the lives of those who struggle to learn or work, then training products and services must be sufficiently flexible to cater for learners whose life experiences, capacities, motivations, resources and need for particular educational and other supports are incredibly diverse, complex and in some cases, expensive.

## 1.4 Project outcomes

The outcomes of this project signal unanimous support for the key pillars of Australia's VET system: one single national system, with industry-determined outcomes relevant to work, reflected in nationally portable qualifications. The desire to preserve and protect these aspects, and in some cases extend them is very evident.

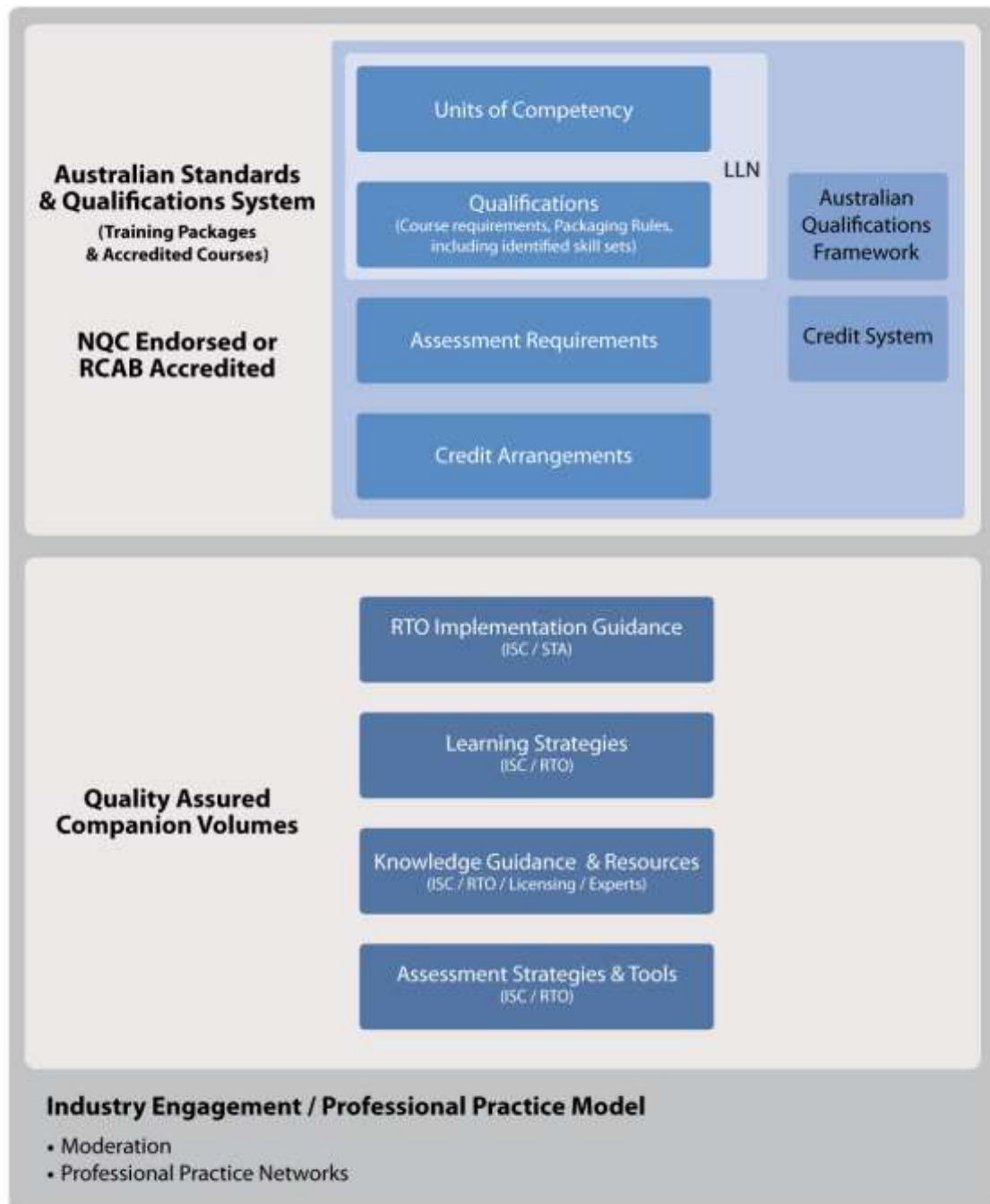
Many feel that change is happening, and real improvements are being made. Further change, they believe, is still needed, while preserving gains made to date.

## 1.5 Proposed Policy Framework

Based on the outcomes of the national consultations, the Joint Steering Committee proposes the following policy framework to improve the flexibility and responsiveness of the VET system.

It should be noted that all of the associated recommendations have resourcing implications.

## VET Products for the 21st Century



## 1.6 Recommendations

That the NQC:

### Recommendation 1

Revise the definition of competency as follows:

*Competency is 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.*

### Recommendation 2

Review supplementary descriptions to incorporate the following concepts of competency into the definition:

- It is demonstrated to the standards required in the workplace;
- It comprises the application of specified skills and knowledge relevant to that occupation;
- It makes appropriate reference to required generic and employability skills;
- It covers all aspects of workplace performance; and
- It can be demonstrated consistently over time, and covers a sufficient range of experiences (including those in simulated or institutional environments)

### Recommendation 3

Ensure that this definition is used consistently in all key VET documents and Government publications.

### Recommendation 4

Ensure that the dimensions of competency underpinning the definition of competence are explained more simply and clearly so that they are conceived in ways which meet the full range of needs of industry, industry sectors, enterprises and individuals.

### Recommendation 5

Reaffirm a single organising framework for VET qualifications comprised of Training Packages and Accredited Courses and allow for qualifications that achieve or contribute to occupational outcomes or foundation skills [i.e., Language, Literacy and Numeracy (LLN) and general education].

### Recommendation 6

In order to maximise consistency, flexibility and responsiveness, undertake a full and comprehensive review of:

- packaging rules as applied in Training Packages to ensure maximum flexibility and consistency within and across Training Packages and Accredited Courses, where both possible and appropriate;
- the use of units from accredited courses within Training Packages; and
- the process for developing and approving Accredited Courses including:
  - how duplication of training package content and coverage is identified and resolved;
  - improving consistency between state accrediting bodies and across the ISCs.

The report on the outcomes to go to the September COAG meeting and include detailed changes to be implemented by the NQC as a matter of urgency.<sup>2</sup>

### Recommendation 7

Ensure that units of competency are efficiently utilised within and across industry in order to avoid duplication wherever possible.

### Recommendation 8

Ensure a stronger focus on preparatory and enabling qualifications aimed at building general workforce capability and entry to a range of jobs in industry and occupational areas by explicitly incorporating such qualifications into the national framework in a more systematic way.

### Recommendation 9

Ensure that Certificates I and II are clearly identified as either preparatory or entry-level qualifications.

### Recommendation 10

Allow for VET qualifications to provide for identified knowledge and preparatory units of competence as appropriate.

### Recommendation 11

Design and develop the specifications for the proposed endorsed component relating to Assessment Requirements.

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<sup>2</sup> Refer to page 7 for additional resolution from MCVTE

## Recommendation 12

Ensure that the context of assessment is clearly specified in Training Package Units of Competency where the industry can make a case for each such targeted Unit to the National Quality Council at the time of Training Package endorsement.

## Recommendation 13

Establish a joint working group of the NQC and the Australian Qualifications Framework Council (AQFC) to investigate introducing a national credit system through the work on AQFC projects related to pathways and strengthening the Australian Qualifications Framework.

## Recommendation 14

Ensure that Training Package developers include articulation arrangements in the design and development of Diploma and Advanced Diplomas where appropriate.

## Recommendation 15

Ensure that Language, Literacy and Numeracy requirements are made more explicit in the development of occupational and foundation qualifications.

## Recommendation 16

Simplify and streamline the content of Training Packages by separating the performance standards in units of competence from guidance and supporting information for RTOs with the following components subject to national endorsement:

- Units of competence (required knowledge and skills, i.e., title, elements, performance criteria, etc)
- Qualifications & Occupational/Foundation outcomes
- Qualification packaging rules
- Assessment Requirements
- Credit Arrangements

## Recommendation 17

Restructure and streamline Training Package content by:

- simplifying the endorsed components – by reducing the level of detail included in the endorsed Training Packages, particularly the level of specification in the competency standards;
- expanding non-endorsed components – much of the detail and specification removed from endorsed components can instead be included in user guides where more flexible structural and formatting options mean that

material can be edited and packaged in a way that makes these documents more readable and useable;

- eliminating unnecessary information and consolidating repetitive material;
- continuing to consolidate the units of competence that cover the same or similar areas of knowledge and skill; and
- dividing Packages into more fit-for-purpose components focused on the needs of industry and employers on the one hand and providers on the other.

## Recommendation 18

Develop a quality assurance process for non-endorsed components of Training Packages.

## Recommendation 19

Reaffirm that course accrediting bodies (RCABs) have the capacity to accept/approve courses where the outcomes identified by RTOs and enterprises are not available in endorsed Training Packages.

## Recommendation 20

Make it mandatory for crown copyright state accredited courses to be publically available on the NTIS.<sup>3</sup>

## Recommendation 21

Implement the proposed recommendations by acknowledging and building on existing professional networks and supporting collaborative arrangements between industry and providers in improving the quality of assessment outcomes.

## MCVTE resolutions

The Ministerial Council for Vocational and Technical Education (MCVTE) endorsed the policy framework as outlined in the report and agreed to the following additional resolutions:

- That the NQC conduct a review jointly with NVEAC on how best to ensure that equity needs are addressed in the policy framework for VET Products for the 21st Century.
- That in relation to Recommendation 6 the outcomes of the review will be presented as part of a high level report to COAG.
- That endorsement of Recommendation 20 is subject to scoping of its impact.

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<sup>3</sup> Refer to additional resolution from MCVTE



## 2. Introduction

Recognising synergies between the Council Of Australian Governments (COAG) agenda to deliver significant improvements in human capital outcomes for all Australians and the planned National Quality Council (NQC) work to identify improvements to Training Packages, in mid 2008 a Joint Steering Committee (JSC) of the NQC and the COAG Skills and Workforce Development Sub Group was established to bring the work together in a joint project called 'VET Products for the 21st Century'. This report summarises the work conducted by the JSC and presents a Proposed Policy Framework and related recommendations to achieve these objectives.

### 2.1 Project & report scope

The JSC was established to develop a policy framework to enable VET qualifications and products to:

- meet the needs of businesses and industry;
- equip individuals with broadly based skills and knowledge.
- provide strategic oversight and guidance of a consultation project to determine any changes necessary to the definition and design of units of competency, Training Packages, VET qualifications, accredited courses, credit systems, and recognition arrangements within and between systems, to ensure that the VET sector is able to meet a more demand and client-driven system;
- report to the NQC and the COAG Skills and Workforce Development Subgroup on the outcomes of the consultation, and provide recommendations; and
- facilitate dialogue and collaboration between bodies undertaking work in relation to the VET sector including the NQC, COAG, the Australian Qualifications Framework Council (AQFC) and Skills Australia.

This report is organised in 5 sections, including an Executive Summary that outlines the principal findings from the project and provides a consolidated set of recommendations. Section 2 provides an introduction to the report; Section 3 gives the background and context; Section 4 deals with meeting diverse needs and finally Section 5 presents the proposed policy framework and supporting recommendations.

### 2.2 Approach to the project

The project was conducted in two stages. Stage 1 was an initial, short consultation process involving 18 meetings with key stakeholders in December 2008, designed to provide the basis for broader stakeholder consultation on options to address these key issues. Stage 2 was a broader and

more comprehensive consultation process. The consultations were assisted by a consultation paper (available at [www.nqc.tvetaustralia.com.au](http://www.nqc.tvetaustralia.com.au)) covering:

- the way in which competence is currently defined and assessed in the Australian vocational education and training (VET) system;
- the kinds of qualifications necessary to meet the needs of and ensure consistent outcomes for the diverse groups of learners in the VET system;
- the extent to which the needs of individual enterprises are being effectively met by the current VET products;
- the structure of National Training Packages;
- credit systems.

Finally, a number of specific consultation questions and possible options in relation to the definition and development of competency, VET qualifications, the structure and content of Training Packages and credit systems were provided for consideration. In addition, a paper was commissioned from NCVET to support the consultation process, *Competence and competency based training: What the literature say* (available at [www.nqc.tvetaustralia.com.au](http://www.nqc.tvetaustralia.com.au)), to be read in conjunction with the consultation paper. In January 2009, a consortium of NCVET/Ithaca Group was contracted to:

- Co-ordinate, conduct and manage consultations (see Appendix A for details of consultations conducted) based on an agreed methodology
- Collate and evaluate consultation outcomes
- Prepare a final report (with advice on possible recommendations) based on an analysis of:
  - the outcomes of the consultations conducted;
  - a synthesis of the outcomes from six (6) ISC research sub-projects and other related NQC projects.

An electronic public submission process was also established to allow those who could not attend a public workshop to provide their views and a total of 35 submissions were received and a complementary targeted consultation regarding equity considerations was undertaken (see Appendix B for stakeholders interviewed). Over 500 people attended public workshops or participated in the various consultations. It was also clear that many of the submissions received were from organisations that had themselves consulted others, and sometimes quite widely.

### 3. Background and context

At its meeting in March 2008 the Council of Australian Governments (COAG) agreed to a policy framework in the areas of skills and workforce development which is designed to boost Australia's participation and productivity. The policy framework identifies four key outcomes:

1. The working age population have gaps in foundation skills levels reduced to enable effective educational, labour market and social participation;
2. The working age population has the depth and breadth of skills and capabilities required for the 21st century labour market;
3. The supply of skills provided by the national training system responds to meet changing labour market demand; and
4. Skills are used effectively to increase labour market efficiency, productivity, innovation, and ensure increased utilisation of human capital.

To deliver these outcomes the vocational education and training (VET) sector needs to engage people, both in and out of the workforce, who require foundation skills; stimulate demand from individuals and businesses for higher level nationally accredited training; and enable providers to respond to the differing needs of individuals, businesses and industry. The capability and capacity of the VET sector is therefore critical. To achieve these outcomes, COAG identified six policy and reform directions:

1. Reforming training products, services, information systems and regulation to meet a more demand and client driven system;
2. Driving further competition in current training arrangements and strengthening capacity of providers and businesses to build the foundation and deeper and broader skills required by the 21st century labour market;
3. Creating an investment environment and settings that optimises investment from all sources (governments, individuals, businesses and industry) including funding for delivery, tax policy, employment programs and incentives;
4. Renewal of governance framework to reinforce the role of industry and maximise effectiveness and efficiency in intergovernmental relations;
5. Ensuring that skills are fully utilised and wastage of human capital is reduced; and
6. Identify barriers and implement changes needed in the structure and operation of the training system (both nationally and locally) to improve qualification completions and participation in higher level qualifications by Indigenous Australians.

The JSC recognises that Australia's VET system has a role to play in boosting Australia's participation and productivity. In particular, the VET system will be critical in achieving COAG targets related to an increased:

- proportion of the working age population at literacy level 1, 2 and 3 (in the Adult Literacy and Life Skills Survey<sup>4</sup>);
- proportion of 20-64 year olds who have a qualification at or above Certificate III (with a target to halve the proportion of 20-64 year olds without qualifications at Certificate III level by 2020, and to double the number of higher qualification completions by 2020

Notably, the Commonwealth Government's response to the Review of Australian Higher Education (Bradley Review) sets new targets of (i) 40 percent of all 25-34 year olds with a qualification at bachelor level or above by 2025; and (ii) 20 percent of higher education enrolments at undergraduate level should be of people from low socio-economic backgrounds by 2020; and explicitly acknowledges a key role for VET in achieving these targets.<sup>5</sup>

The National Quality Council's (NQC) 2008 Work Plan included a project designed to develop policy directions in relation to the next generation of Training Packages, including a broad consultative process. This project was to build on research conducted on behalf of the NQC in 2007 and advice provided to MCTVE in 2006 that 'consideration be given to' 'providing greater flexibility and adaptability within the next generation of Training Packages' and 'building on the current competency approach by incorporating the development of personal capabilities and attributes (e.g. employability skills) and placing greater emphasis on cognitive rather than functional (technical) skills'.

This project therefore represents a convergence of the COAG workforce participation and productivity agenda and NQC work to identify improvements to Training Packages and nationally recognised vocational education and training (VET) qualifications.

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<sup>4</sup> [Adult Literacy and Life Skills Survey, Summary Results, ABS, 2006](#)

<sup>5</sup> from the Deputy Prime Minister's speeches of 4, 5, 9 March 2009

## 4. Meeting diverse needs

Although not identical, the JSC sees a convergence of the needs of business, industry and individuals in relation to boosting participation and productivity.

### 4.1 Meeting the needs of businesses and industry

During the consultation process, businesses and industry indicated strong support for the continuation of Training Packages and accredited courses as a single national framework.

The increasing flexibility of the latest Training Packages is also highly valued. This is perceived to enable training and assessment methodologies to be better customised to meet the diverse needs of employers and individuals. However, there is still room for improving responsiveness and the proposed policy framework therefore needs to build on the strengths of the existing system by ensuring more flexible packaging rules for Training Package qualifications and accredited courses to meet industry needs. This, together with improved Training Package development and endorsement and continuous improvement processes will ensure greater responsiveness to leading edge industry practice.

Accredited courses are seen as having the capacity to meet the needs of niche markets and emerging and converging industries or technologies. In addition, they address changes in skill needs in a responsive manner and also provide a mechanism for meeting the needs of special groups, especially those with Language, Literacy and Numeracy issues.

### 4.2 Equipping individuals with broad-based skills and knowledge

The JSC acknowledges that literacy, numeracy and other foundation skills are the building blocks of human capital and COAG has established *the literacy and numeracy levels of working age people in national and international surveys* as an indicative performance measure. The workforce will require both deeper and broader skills in the future due to the impacts of globalisation, structural change in the labour market and the economy, technological change, workforce aging (meaning that workers will need to participate in the workforce for longer), changing consumer preferences, quality assurance and compliance requirements and the need to produce goods and

provide services in a more environmentally sustainable manner<sup>6</sup>.

Rapidly changing labour market demands (including the impact of structural change in the economy and the economic cycle) mean that workers will need to be able to adapt to new roles related to their current occupations and rapidly acquire new skills and knowledge to change jobs.

Each year, the publicly funded VET system provides programs to over 1.6 million students, the vast majority of whom are engaged in VET to achieve vocational and labour market outcomes. It engages with thousands of enterprises to deliver these outcomes. Those 1.6 million VET learners are comprised of a diverse range of groups. The diversity is likely to grow if participation levels rise consistent with the COAG outcomes. These groups include:

- students requiring foundation skills;
- students undertaking VET in schools and other full time learners in preparatory programs;
- apprentices and trainees;
- new entrants to the workforce and those seeking to return to the workforce;
- existing workers including:
  - those with gaps in foundation skills;
  - those undertaking training related to their work;
  - those wishing to change careers unrelated to their current work;
  - those facing unemployment or significant change to their work structure;
  - casual and part time workers who have limited access to work-based learning particularly those only working on an intermittent basis.
- students wishing to articulate to Higher Education;
- higher education students moving to VET; and
- international students (both onshore and offshore).

Across each of these groups there are some students who also have specific learning needs and requirements such as students with disabilities. Similarly, many indigenous students have both specific learning needs and may require training which is organised and delivered in a way which is consistent with cultural and community needs.

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<sup>6</sup> See DEEWR 2006 Overview Analysis on Industry Skills Reports

Students in remote localities face particular challenges in being able to access training and workplaces. There is also an important and growing interface between formal VET and community-based education and training providers.

It should be recognised that regardless of their learning pathway, the vast majority of students are engaged in VET for vocational and work related purposes. However, some people work in the occupations for which they have not trained and others work in occupations for which they do not have relevant formal qualifications<sup>7</sup>. This suggests that the ability to learn 'on the job' and the capacity to adapt to new job roles and circumstances is important for individuals and the workforce generally.

These imperatives suggest the following three major roles for VET in assisting to meet the COAG outcomes:

- building sound foundation skills, in particular literacy and numeracy at levels required for effective participation in the workforce and for further learning;
- developing technical and occupational skills required for specific jobs; and
- developing the wider range of broader capabilities required for specific jobs and the capacity to take on new roles and jobs as the labour market changes.

It is therefore proposed that the definition of competence be revised to make explicit the fact that competence needs to embody the ability to transfer and apply skills and knowledge to new situations and environments and that VET qualifications allow for both occupational and foundation skills outcomes.

### 4.3 Equity considerations

The VET system is a key mechanism for delivering the nation's productivity, workforce participation and social inclusion objectives. Yet, the National VET Advisory Alliance in its final report to Ministers (2008) noted that:

*Annual National Report performance measures (2006) for female students, people with a disability, those with a language background other than English and Indigenous students, indicate a lack of progress particularly for Indigenous*

*students and students with disabilities in the VET system.*<sup>8</sup>

Additionally, they advised that:

- Over a four-year period (2003-2006), relative to all students, there had been little improvement in the proportion of students in the four equity groups participating in VET.
- Over the four-year period, there had only been a marginal increase in the load pass rate for Indigenous students, students with a disability and people who speak a language other than English at home. Women's load pass rates are at the same level as the overall VET student population.
- In 2006, people with a disability were much less likely than any other student group to be studying at Certificate III and above course levels. Indigenous students were also underrepresented at these levels and over-represented at Certificate I and II or non AQTF levels. This is of concern since Certificate I and II level and non-AQTF level courses are less likely to lead to employment.
- While there had been a decline in further study and employment outcomes for all VET students over the four-year period, the decline is much worse for the four equity groups. For Indigenous Australians and people with a disability who in 2006 were 14% and 22% respectively below other students in employment outcomes, the falling trend over 4 years is of major concern.<sup>9</sup>

In the face of these performance outcomes, it is critical that a revitalised policy framework for VET Products for the 21<sup>st</sup> Century caters for the diversity of learners it must engage, if the VET sector is to meet national participation and productivity targets and ensure that it maintains its strong reputation of making a difference to the lives of those who struggle to learn or work. In particular, training products and services of the VET sector must be sufficiently flexible to cater for learners whose life experiences, capacities, motivations, resources and need for particular educational and other supports are incredibly diverse, complex and in some cases, expensive.

Given the VET system's central role in meeting equity inclusivity goals and the imminent establishment of the National VET Equity Advisory Council (NVEAC), it will be critical for the NQC and NVEAC to jointly conduct a review on how best to ensure that equity needs are addressed.

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<sup>7</sup> The 2008 student outcomes data from NCVET indicates that 'Overall, 30.3% of graduates were employed in the same occupation group as their training course. Another 33.8% were employed in other occupations but found their training relevant. 16.8% were employed in other occupations and found their training not relevant to their current job'.

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<sup>8</sup> National VET Advisory Alliance final report, unpublished, p4  
<sup>9</sup> National VET Advisory Alliance final report, unpublished, p5

## 5. Proposed policy framework and recommendations

Over the past two decades, there have been significant reforms to VET courses, providers and systems to develop a national training system. A key reform has been the development of national industry competency standards to define industry competency requirements for the occupations covered by the VET sector. Training Packages (introduced in 1997), have provided a mechanism for directly linking qualifications and standards and ensuring that outcomes from qualifications meet these standards.

In relation to the COAG outcomes, there are two threshold issues that must be addressed in considering any revised policy framework for national VET products, the extent to which the:

- current approach to defining, developing and assessing competence in Australia is sufficient to help achieve the COAG outcomes; and
- current suite of VET qualifications specified through National Training Packages are relevant to the needs, circumstances and intentions of the diverse groups of VET learners, can be consistently and reliably assessed in terms of workplace competence, and can also meet the diverse needs of individual enterprises.

Along with these threshold issues, previous work undertaken by the NQC highlights the need for consideration of issues relating to the structure and content of Training Packages as they have evolved over the last ten years.

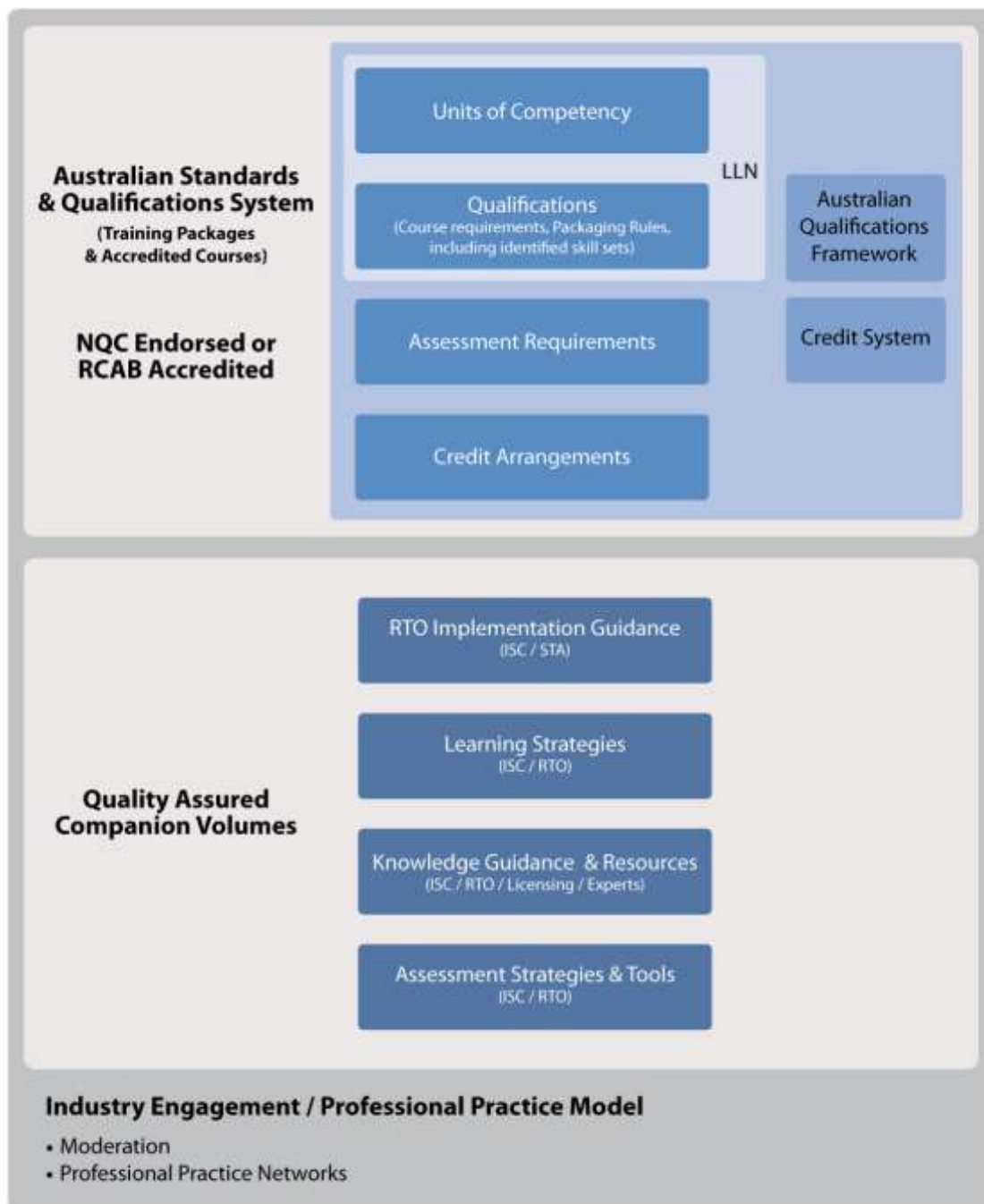
The outcomes of this project signal unanimous support for the key pillars of Australia's VET system: one single national system, with industry-determined outcomes relevant to work, reflected in nationally portable qualifications. The desire to preserve and protect these aspects, and in some cases extend them is very evident.

Many feel that change is happening, and real improvements are being made. Further change, they believe, is still needed, while preserving gains made to date.

A number of concerns regarding the capability of the VET workforce also emerged. While this is beyond the terms of reference for the JSC, this is seen as an important consideration in ensuring the consistent application and interpretation of VET policies, concepts, and requirements (especially but not limited to Training Package packaging rules) and it concerns all key players (including trainers, assessors, auditors, and training package developers). This will become more critical given an ageing and increasingly casualised VET workforce.

Based on the outcomes of the national consultations, the Joint Steering Committee proposes the following policy framework to improve the flexibility and responsiveness of the VET system. It should be noted that all of the associated recommendations have resourcing implications.

## VET Products for the 21st Century



## 5.1 Definition of competency

The current definition of 'competency' within the Australian VET system emphasises the importance of workplace experience in terms of the demonstration of competence. Competency standards were first introduced to provide a benchmark against which states and territories could accredit courses and qualifications, however, with the introduction of Training Packages competency standards are now directly aligned with national qualifications.

The primary focus of competency standards in Australia is therefore the on the achievement of performance standards required for specific occupations. Each unit of competency must also embed employability skills relevant to the unit and contain explicit language, literacy and numeracy requirements relevant to the unit, however, these reflect but must not exceed the work requirements for the unit. Similarly, knowledge requirements in the unit of competency must be derived from the requirements of the work task.

The consultations indicated that there is no significant pressure to alter the current definition of

competency in a major way, although there is common agreement to clarify the scope and that the explanation that underpins the definition can be improved by simplifying, and strengthening its meaning.

Multiple definitions of competency appear in key VET policies and documents, which may inhibit the development of a uniform understanding of competency, and need to be made consistent. There is also support for developing or improving documentation that explains what is meant by the different elements in the definition.

A key issue in addressing the COAG outcomes is the extent to which the focus of the Australian VET system on occupational competence is sufficient to build the levels of foundation skills and the deeper and broader attributes and capabilities required for the 21<sup>st</sup> century workforce and to meet changing labour market demand. The JSC recommends the following actions be taken to assist in meeting these outcomes.

### Recommendations

That the NQC:

1. Revise the definition of 'competency' as follows:

*Competency is 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.*

2. Review supplementary descriptions to incorporate the following concepts of competency into the definition:
  - It is demonstrated to the standards required in the workplace;
  - It comprises the application of specified skills and knowledge relevant to that occupation;
  - It makes appropriate reference to required generic and employability skills;
  - It covers all aspects of workplace performance; and
  - It can be demonstrated consistently over time, and covers a sufficient range of experiences (including those in simulated or institutional environments)
3. Ensure that this definition is used consistently in all key VET documents and Government publications.
4. Ensure that the dimensions of competency underpinning the definition of competence are explained more simply and clearly so that they are conceived in ways which meet the full range of needs of industry, industry sectors, enterprises and individuals.

## 5.2 Qualifications

The consultations revealed overwhelming support for retaining Training Packages and Accredited Courses as the single organising framework for qualifications in the VET system. There was, however, a desire for packaging rules to be harmonised as much as possible and to allow for the widest choice of elective units from within and across Packages and from accredited courses where appropriate. There is a strong commitment to allowing enough flexibility in qualification structures to ensure that one single industry-defined system meets all needs. The differing nature of industries, from traditional trades (often highly regulated) to newer or unregulated industries in which the requirements are more difficult to define, was also recognised, but it was felt these different needs should be addressed within a single cohesive system. There is also support for ensuring a stronger focus on preparatory and enabling qualifications aimed at building general workforce capability and entry to a range of jobs in industry and occupational areas. This could be achieved by explicitly incorporating such qualifications into the national framework in a more systematic way.

Consultations with industry groups and with providers also highlighted the importance of underpinning knowledge or theory in the development of competence, noting that this is especially true for qualifications which require high levels of knowledge and theory to underpin competency. Many of those consulted believed that the knowledge components of units of competency do not receive enough attention in training. The key issue appears to be the extent to which the knowledge requirements are made explicit in Training Packages. While some Training Packages express the knowledge component effectively at the unit level, others do not identify it as clearly.

Consultations did not address whether the knowledge components are comprehensive and sufficiently forward-looking and this will require further investigation during the design and development phase. There is overwhelming support however, for knowledge to be presented clearly and in a form within the unit and/or qualification that its importance is recognised by RTOs, funders and other stakeholders.

### Recommendations

That the NQC:

5. Reaffirm a single organising framework for VET qualifications comprised of Training Packages and Accredited Courses and allow for qualifications that achieve or contribute to occupational outcomes or foundation skills [i.e., Language, Literacy and Numeracy (LLN) and general education].
6. In order to maximise consistency, flexibility and responsiveness, undertake a full and comprehensive review of:
  - packaging rules as applied in Training Packages to ensure maximum flexibility and consistency within and across Training Packages and Accredited Courses, where both possible and appropriate;
  - the use of units from accredited courses within Training Packages; and
  - the process for developing and approving Accredited Courses including:
    - how duplication of training package content and coverage is identified and resolved;
    - improving consistency between state accrediting bodies and across the ISCs.

The report on the outcomes to go to the September COAG meeting and include detailed changes to be implemented by the NQC as a matter of urgency.<sup>10</sup>

7. Ensure that units of competency are efficiently utilised within and across industry in order to avoid duplication wherever possible.
8. Ensure a stronger focus on preparatory and enabling qualifications aimed at building general workforce capability and entry to a range of jobs in industry and occupational areas by explicitly incorporating such qualifications into the national framework in a more systematic way.
9. Ensure that Certificates I and II are clearly identified as either preparatory or entry-level qualifications.
10. Allow VET qualifications to provide for identified knowledge and preparatory units of competency as appropriate.

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<sup>10</sup> Refer to page 9 for additional resolution from MCVTE



### 5.3 Assessment requirements

The combination of defining competency as 'the ability to perform particular tasks and duties to the standard of performance expected in the workplace' coupled with the requirement for each Training Package qualification to have 'a distinct occupational outcome', presents challenges for the VET sector in meeting the needs of the diverse group of learners identified. For example:

- There can be limited capacity to acquire and have competence assessed for those students preparing for entry to the workforce and for further learning and returning to study as they may not be in the workforce;
- Many international students may be disadvantaged due to employment opportunities and/or visa requirements;
- Many VET learners in work are employed in occupations that may not be relevant to their areas of training;
- Students undertaking programs to articulate to Higher Education may not be seeking a specific occupational outcome from VET; and
- Different VET learners enrolled in the same qualification may have significantly different levels of experience in the workplace.

Challenges such as these, relating to the access of VET learners to a relevant workplace, are likely to intensify as the economy turns down and the labour market contracts.

The consultations reinforced the need for clearer direction on the contexts in which competence can be demonstrated. Some must be demonstrated in a workplace context, whilst others may best be demonstrated in simulated environments or assessed in other ways. Some of those consulted pointed out that the nature of some workplaces meant that, even there, it was difficult to demonstrate the full dimensions of competence. A wide range of assessment approaches is needed to assess the understandings that underpin workplace behaviour and performance in a range of occupational areas, while other areas are more skills-oriented.

As a result, the JSC recommend that the context of assessment be clearly specified in Training Package units of competency, especially where the industry can identify and demonstrate that there are key risks in deeming someone as competent to perform in a workplace environment when they have not been assessed in one. The JSC recommends that industry must make a case for this to the National Quality Council at the time of Training Package endorsement.

#### Recommendations

That the NQC:

11. Design and develop the specifications for the proposed endorsed component relating to Assessment Requirements.
12. Ensure that the context of assessment is clearly specified in Training Package units of competency where the industry can make a case for each such targeted Unit to the National Quality Council at the time of Training Package endorsement.

### 5.4 Credit arrangements

The extent to which current arrangements for recognition of current competence are effective has been the subject of considerable debate in Australia in recent years. Credit systems have been, or are being, developed in a number of countries to formalise credit arrangements or make them more consistent and transparent, and to allow individuals to accumulate credit at the unit or module level towards full qualifications. They typically achieve this by assigning value to units or modules in terms of their level of complexity and

the amount of learning involved across qualifications frameworks.

There are mixed views about whether or not to stay with the status quo or to introduce a national system. It is generally agreed that there is a need to strengthen national approaches to credit transfer and articulation between the VET and Higher Education sector, but less agreement on how this should occur. The consultations found that there is little support for complex and administratively burdensome credit arrangements, however there is strong support for developing a simple, nationally consistent approach to credit transfer and articulation.

Given that the Australian Qualifications Framework Council (AQFC) is currently working to the Deputy Prime Minister's brief 'to improve articulation and

connectivity between the university and the VET sectors to enable competency-based and merit-based systems to become student focussed' and the critical VET expertise in this area that can be offered by the NQC. The JSC recommends that a joint working group of the AQFC and the NQC be formed to progress work on the AQFC projects related to pathways and strengthening the Australian Qualifications Framework.

In the meantime the JSC recommends taking a 'fit for purpose' approach during the design and development of Diplomas and Advanced Diplomas to include articulation arrangements where appropriate.

## Recommendations

That the NQC:

13. Establish a joint working group of the NQC and the Australian Qualifications Framework Council (AQFC) to investigate introducing a national credit system through the work on AQFC projects related to pathways and strengthening the Australian Qualifications Framework.
14. Ensure that Training Package developers include articulation arrangements in the design and development of Diploma and Advanced Diplomas where appropriate.

## 5.5 Language, Literacy and Numeracy

The consultation acknowledged that there are a range of arrangements for addressing the needs of learners with low level basic language, literacy and numeracy (LLN) skills (including the Australian Core Skills Framework, and Adult Basic Education qualifications). LLN peak bodies, practitioners and administrators emphasised however, the importance of having these arrangements located under the umbrella of the national framework and integrated into Training Packages themselves.

It was also felt that the exclusive use of accredited courses to deliver stand alone LLN training would decrease the status and value of LLN provision. Many feel that the development of LLN skills needs to be grounded in learning that has a purpose, such as vocational learning, rather than solely in general programs. LLN should not just be considered as purely

preparation for entry-level programs, but also as a component of the continuing cognitive development associated with higher level competence. Those consulted believe that despite the opportunities and programs already available, the levels of LLN possessed by students remain far too low to meet competency requirements and are not being adequately addressed. They also believe that this situation is equally the case for ex-school entrants to VET and the workforce, and for older workers seeking to upgrade their skills.

Therefore, there is underlying support for making basic competency in language, literacy and numeracy, knowledge and core skills (such as occupational health and safety), as defined by the relevant Training Package, a requirement for participation in qualifications at Certificate III and above.

## Recommendation

That the NQC:

15. Ensure that Language, Literacy and Numeracy requirements are made more explicit in the development of occupational and foundation qualifications.

## 5.6 New design for Training Packages and Accredited Courses

Previous NQC work and consultations have highlighted stakeholder concerns regarding the size and complexity of National Training Packages in their current form both in relation to the size of some units of competency and the amount and level of detail in supporting material and guidance for RTOs. Industry and enterprise groups have also expressed concern that the development and continuous improvement process does not sufficiently engage enterprises due to its complexity and that National Training Packages in the current form cannot be easily used by enterprises including for broader human resource processes (e.g. using competency standards to create job profiles and career paths etc).

Stakeholders want a more streamlined structure and less unnecessary detail. They also want Training Packages to be arranged in ways that are 'fit-for-purpose' to the needs of particular groups. They especially want clarity to enable better interpretation of requirements.

Simplifying the design of the Unit of Competency is considered a priority. It is suggested that the unit be stripped of most additional material which has accumulated over time and is advisory in nature, and moving this, where retention is warranted, to other parts of the Training Package. This process could also include consolidation of such components as range statements. In addition, the presentation of units (and their packaging as qualifications) should be in simple plain English to better engage industry practitioners in the Training Package development and improvement process and to give providers a clear overview of the outcomes to be delivered. Those consulted also support the further consolidation of Units of Competency to eliminate duplication.

There is also a desire for rationalising other units of competency that are generic to many occupations and industries. For example, units of competency that relate to first aid, customer service skills, or communication skills that are required across industries could be rationalised so that not every training package needs to provide its own particular units of competency in these areas. One suggestion is for Industry Skills Councils to examine how best to retain relevance to specific industries' occupations and jobs while enabling individuals to more readily 'transport skills' across occupations. Another suggestion is for a concerted effort to identify in a systematic way those skills that are similar in nature but applied to different contexts (for example, skills for process control systems, enterprise logistics, management and supervision, and information systems). It is

important to note that ISCs have already commenced work in this regard by assigning leadership for developing and maintaining particular sets of units that have cross industry application.

It is felt that moving the preliminary information will help to make the Training Packages more accessible. This includes information regarding the vocational competence of the trainer, the development of the assessment tools, information on recognition of prior learning, and other delivery strategies. Nevertheless informants tell us that much of the material currently in Training Packages which is regarded as duplicative or advisory should remain available even if presented separately or in different formats.

Another desired simplification relates to the accessibility and inclusiveness of language used in Training Packages. Participants want to ensure that jargon free plain English is used and that it is workplace friendly. This is felt to aid interpretation, as well as understanding, for employers and practitioners alike. Many feel that it is important to improve the accessibility of the Training Package content. This includes a re-arrangement to suit the needs of different audiences or users, so that employers, RTOs, and individuals will be able to quickly find the information that pertains to them.

There is considerable (but not unanimous) support for separating performance standards from guidance and supporting information for RTOs. Participants in favour of such separation believe that it would reduce the bulkiness of Training Packages and streamline information to make it more relevant for particular users and groups. Having the guidance documents as separate volumes is also felt to enable the provision of much more specific information. Supporters also believe that because Training Packages are in on-line formats it would be easy to provide guidance information via links within the unit of competency itself. There is also a case for re-designing the on-line formats themselves through the opportunity currently available in the re-development of the national register ([training.gov.au](http://training.gov.au)).

Other views provided suggest rearranging information into short form or comprehensive volumes according to requirements of different audiences (employers, RTOs, and learners). The resource implications of such an approach are potentially considerable.

There was also overwhelming support for Training Packages to have the ability to incorporate the

large body of existing units of competency from accredited courses, including for preparatory qualifications, to support knowledge components. Currently only Training Packages units of competency may be used by accredited courses and not vice versa, but there are cases where such components have been mainstreamed during the review or continuous improvement processes.

Comment was also made about the significant amount of public funds used to develop accredited courses and that making those that are crown copyright nationally accessible would be a more effective and efficient use of these resources.

## Recommendations

That the NQC:

16. Simplify and streamline the content of Training Packages by separating the performance standards in units of competence from guidance and supporting information for RTOs with the following components subject to national endorsement:
  - Units of competence (required knowledge and skills, ie, title, elements, performance criteria, etc)
  - Qualifications & Occupational/Foundation outcomes
  - Qualification packaging rules
  - Assessment Requirements
  - Credit Arrangements
17. Restructure and streamline Training Package content by:
  - simplifying the endorsed components – by reducing the level of detail included in the endorsed Training Packages, particularly the level of specification in the competency standards;
  - expanding non-endorsed components – much of the detail and specification removed from endorsed components can instead be included in user guides where more flexible structural and formatting options mean that material can be edited and packaged in a way that makes these documents more readable and useable;
  - eliminating unnecessary information and consolidating repetitive material;
  - continuing to consolidate the units of competence that cover the same or similar areas of knowledge and skill; and
  - dividing Packages into more fit-for-purpose components focused on the needs of industry and employers on the one hand and providers on the other.
18. Develop a quality assurance process for non-endorsed components of Training Packages.
19. Reaffirm that course accrediting bodies (RCABs) have the capacity to accept/approve courses where the outcomes identified by RTOs and enterprises are not available in endorsed Training Packages.
20. Make it mandatory for crown copyright state accredited courses to be publically available on the NTIS.<sup>11</sup>

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<sup>11</sup> Refer to page 9 for additional resolution from MCVTE

## 5.7 Industry engagement and professional practice

Industry leadership is believed to be fundamental to the achievement of VET objectives. There is ongoing support for industry to continue to identify and determine the skills and knowledge and standards required for the development and assessment of 'workplace competence'. A greater role for industry to engage in verification of RTO assessments, and in assessment moderation, has also been suggested.

The development of relationships between employers and providers is seen to be an important strategy for ensuring currency and involvement. It is also seen as a key to providing a system that is responsive to the needs of the labour market.

It was often emphasised that in order to train and assess Training Package-based competencies well requires considerable knowledge of the policies, concepts and requirements of a Training Package—in addition to everything required of a professional teaching to a curriculum. There is a strong view that this is quite a requirement to place on a workforce which has become increasingly casualised with many sessional teachers, and that many fall short of the expected standard.

In order to implement the proposed recommendations a much stronger focus on professional practice and using/building of professional networks will be needed to understand and realise the change.

### Recommendation

That the NQC:

21. Implement the proposed recommendations by acknowledging and building on existing professional networks and supporting collaborative arrangements between industry and providers in improving the quality of assessment outcomes.

# Appendix A – Consultation List

## Location and attendance at public workshops & State-requested consultations by organisation type

Jurisdiction	Public workshops	Number of participants	Providers (%)	Industry (%)	STAs, other government agencies & regulators	Others^ (%)
South Australia	Adelaide	29	27.6	24.1	31.0	17.2
Victoria	Melbourne (1)	38	63.2	23.7	5.3	7.9
	Melbourne (2)	42	66.7	26.2	4.8	2.4
	Bendigo	6	100.0	0.0	0.0	0.0
Tasmania	Hobart	22	54.5	18.2	13.6	13.6
New South Wales	Sydney	22	66.7	14.3	9.5	9.5
	Albury	13	92.3	0.0	7.7	0.0
	Coffs Harbour	19	94.7	0.0	0.0	5.3
Queensland	Brisbane (1)	13	15.4	23.1	53.8	7.7
	Brisbane (2)	22	50.0	22.7	22.7	4.5
	Townsville	12	66.7	8.3	8.3	16.7
Western Australia	Perth	37	51.4	18.9	24.3	5.4
	Karratha*	23	100.0	0.0	0.0	0.0
	Bunbury	6	100.0	0.0	0.0	0.0
Northern Territory	Darwin	9	77.8	11.1	11.1	0.0
	Alice Springs	13	69.2	0.0	23.1	7.7
Australian Capital Territory	Canberra	23	65.2	0.0	30.4	4.3
<b>Total number of participants:</b>		<b>349</b>	<b>63.6</b>	<b>14.6</b>	<b>10.6</b>	<b>6.6</b>

\*face-to-face and by video link

^includes individuals, consultants, auditors, researchers and students

Separate public and private provider forums were requested by four states and territories (New South Wales, Northern Territory, Tasmania, and Western Australia). These were held in Sydney, Hobart, Darwin and Perth. Separate state-based consultations with Industry Training Advisory Boards (or their equivalents) were requested by the State Training Authorities for Northern Territory, Western Australia and New South Wales.

## Electronic submissions by organisation type

Providers	Industry	STAs, government agencies & regulators	Others*
18	10	2	5
<b>Total electronic submissions 35</b>			

\*includes individuals, consultants, auditors, researchers and students

## Targeted stakeholder consultations by organisation type\*

Numbers of participants in parentheses

Industry Skills Councils and employers	Peak industry and provider bodies and advisory groups	State Training Authorities and other regulatory groups	Commonwealth and state government agencies and advisory bodies	RTOs (targeted group consultations)	Targeted equity consultations
Industry Skills Councils (45)	ACCI (8)	SA DFEEST (16)	Skills Australia (11)	NSW metropolitan TAFEs and VET professionals (27)	WA DET (3)
Large and medium employers (6)	BCA (1)	Skills Victoria (17)	SA Skills Commission (2)	Northern Territory (public and private) (12)	SA DFEEST (2)
Small employers (4)	TDA (2)	Skills Tasmania (10)	National Quality Council (2)	Skills Tasmania (Public and private) (11)	Innov8 Group (1)
Restaurant and Caterers (1)	ERTOA (2)	NSW DET (23)	DEEWR (2)	Western Australian (TAFE Managing Directors) (12) face-to-face and video-link	BCA (1)
State-based industry advisory groups (WA (9), NT (3), NSW (18))	ACPET (4)	QLD DETA (14)	DEEWR (WELL and LLNP contractor managers) (2)	LLN and ACE practitioners and administrators (3)	Skills Victoria (1)
	AiG (6)	WA DET (19)			DEEWR (1)
	ACTU (13)	NT DEET (17)			QLD DETA (1)
	AEU (2)	ACT DET (4)			NSW DET (2)
	NFF (3)	QLD Nurses Council (2)			TAFE NSW (1)
		AQFC (14)			Skills Tasmania (3)
		DEEWR (2)			LTG Unit Trust (1)
		SA Nurses Board (1)			J and S Learning Work (1)
		SA Plumbing & Electrical Regulators (1)			NSW TAFE Access & General Education Curriculum Centre (5)
		QLD Real Estate Board (1)			Oggi Consulting (1)
		WA Gaming Regulator (1)			

**Total number of participants: 377**

\* Includes Stage 1 and Stage 2 consultations

