



Australian  
Industry and  
Skills Committee

# Reflections and Opportunities

## Australian Industry and Skills Committee 2015–2022



## From the Chair

As the Chair of the Australian Industry and Skills Committee (AISC), it is my privilege to present the following paper, through which AISC Members aim to pass on some of the knowledge and experience gained from overseeing major elements of the national training system over the past seven years. The paper outlines examples of good practice and innovation, challenges and achievements, and advice and insights with broader applications beyond the current arrangements for industry engagement in vocational education and training (VET).

Since 2015 the AISC has worked closely with industry, governments, regulators and others to improve aspects of the training sector, particularly engagement and consultation, and to streamline training packages and speed up training product development. A number of case studies have been included in this paper that outline some of the challenges which have arisen. A critical lesson has been that all stakeholders need to work collaboratively and consult early and effectively to reach good outcomes. In addition, clear objectives, responsibilities and accountabilities are essential.

A recurring challenge has been industry stakeholders seeking to use training packages to pursue wider goals that lie beyond the scope of the VET system. Different interpretations of national policies and standards have also created challenges, ranging from significant implementation concerns to more technical matters. The AISC's ability to influence broader policy issues has been limited by its Terms of Reference and the time available to members, particularly as the COVID-19 pandemic brought major disruption and a renewed national focus on skills, training and workforce development.

While the Committee has worked to bring together diverse perspectives, this has been difficult at times and will remain a challenge going forwards, particularly in the absence of clearly defined objectives to ensure a shared and united focus on the common good. Regular communication and engagement with industry and jurisdictions have been key priorities for the Committee and fundamental in identifying and taking action to resolve conflicting opinions that are sometimes equally legitimate points of view. It will be vitally important for Industry Clusters to have strong, collaborative and transparent relationships. The national training system also requires industry and organisational leaders with the experience and expertise required to form strong partnerships and make the right, well-informed decisions.

I wish every success to Industry Clusters and trust this paper will provide useful insights and guidance for the work ahead.

A handwritten signature in black ink that reads "Tracey Horton" followed by a horizontal flourish.

**Emeritus Professor Tracey Horton AO**  
Chair  
Australian Industry and Skills Committee

29 November 2022

# Australian Industry and Skills Committee

## Reflections and Opportunities

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### Introduction

This paper provides a high-level overview of the role, activities and achievements of the Australian Industry and Skills Committee (AISC) since it was established by Skills Ministers in 2015. The AISC was established to provide advice on the implementation of vocational education and training (VET) policies and ensuring the standard of nationally recognised training, with the latter role coming to dominate the Committee's time. The AISC Terms of Reference are at **Attachment A**.

A transition to new arrangements for industry engagement in VET from 2023 presents an opportunity for AISC Members to reflect on good practice and innovations, some of the challenges that have been experienced and resolved by the AISC, and strategic advice and insights to pass on to Industry Clusters, government agencies and others across the training system.

### Context

Australia's VET sector has undergone multiple reviews, each of which has highlighted VET's vital role in skilling the workforce and improving productivity and prosperity.<sup>1</sup> VET is a complex sector that operates within a federated system. The sector aims to satisfy diverse needs of industry, employers and learners, all while facing continuous change and regular disruption. Major reviews have highlighted recurring issues, including:

- inconsistent quality of training and assessment, regulatory frameworks which can place a significant compliance burden on registered training organisations (RTOs), rorting of the system, and difficulties accessing relevant data<sup>2</sup>
- inequities in Commonwealth and state and territory funding across the tertiary education sector, blurred learning pathways, inconsistent recognition of training and credit transfer, and variable investment by industry<sup>3</sup>
- challenges delivering relevant competency-based qualifications sought by industry, including foundation skills, to enable learners to gain skills for future work and move from job to job and occupation to occupation.<sup>4</sup>

The COVID-19 pandemic has highlighted that the VET sector can lack agility and the capacity to respond to rapid change; the sector is also fatigued from ongoing pressure, reviews and reforms.<sup>5</sup>

Thus the AISC has operated within a system with complex shared roles and responsibilities. Industry plays a leadership role, the Commonwealth provides national policy leadership and significant funding, and the states and territories oversee the funding and delivery of training within their jurisdictions. While the various reviews have resulted in a comprehensive list of the issues experienced in the operation of the VET system, there has been less consensus in clearly articulating the desired outcomes from the system and diagnosing the specific obstacles that are preventing us from achieving those goals.

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<sup>1</sup> Department of the Prime Minister and Cabinet, 2019, *Strengthening Skills: Expert Review of Australia's VET System*

<sup>2</sup> Braithwaite, 2018, *All Eyes on Quality: Review of the National VET Regulator Act 2011 Report*

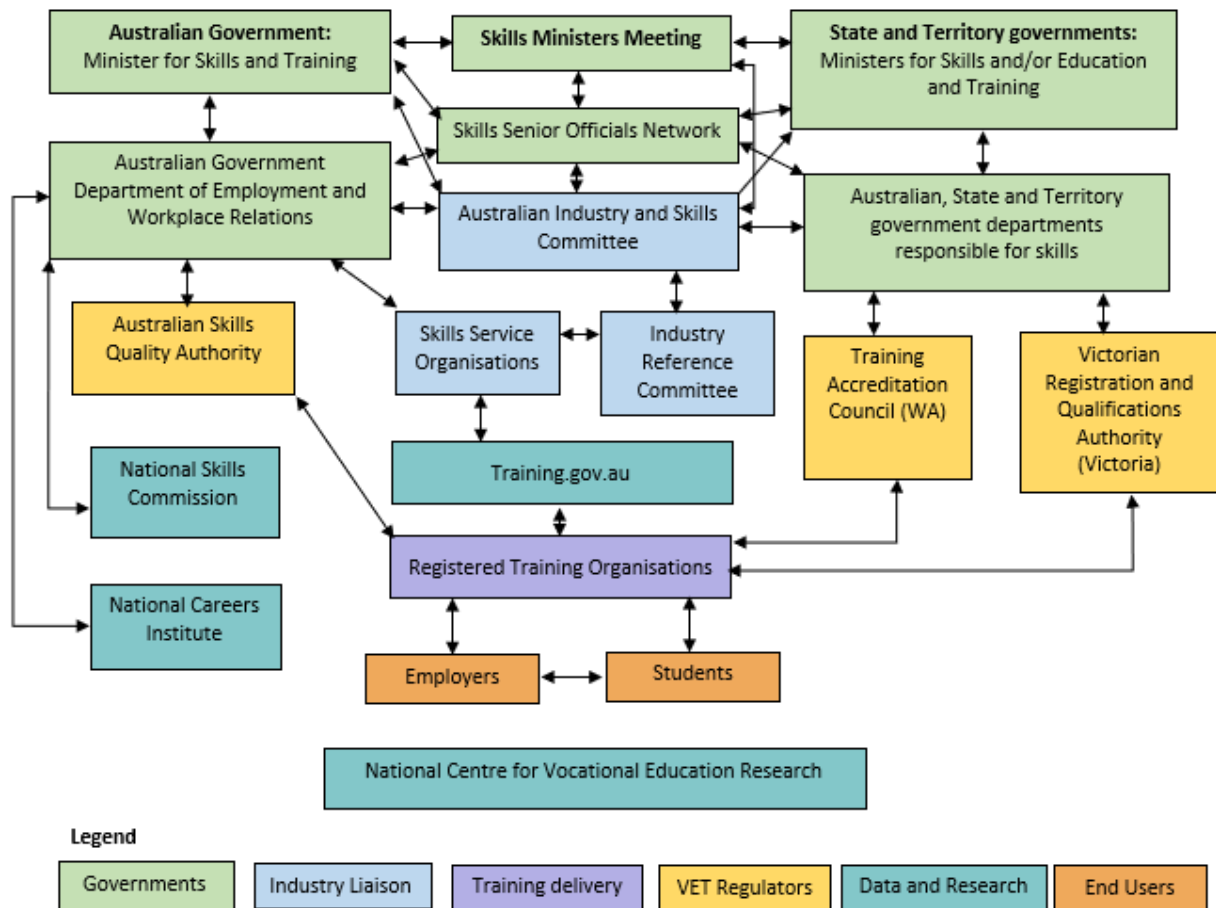
<sup>3</sup> Dawkins, Hurley and Noonan, 2019, *Rethinking and Revitalising Tertiary Education in Australia*, Mitchell Institute

<sup>4</sup> Productivity Commission, 2017, *Shifting the Dial: 5 Year Productivity Review, Report No. 84*

<sup>5</sup> Pilcher and Hurley, 2020, *Skills for Recovery: The VET System we Need Post-COVID-19*, Mitchell Institute

The AISC has provided an industry perspective at the centre of this system by bringing together industry sectors, leaders and stakeholders and working with a wide range of industry and government bodies (Figure 1 refers).

Figure 1: VET system overview



Industry itself is highly diverse, spanning everything from agriculture, manufacturing (traditional and advanced) and transport, to care, tourism and hospitality, to technology and financial services. Industry stakeholders encompass major employers and unions, small and niche sectors, organisations and individuals, subject matter experts and regulatory bodies. Many industries have experienced significant skills and workforce shortages due to the COVID-19 pandemic, while several Royal Commissions and coroners’ cases have made specific recommendations for changes to training.

Challenges can arise in training product development. To an extent this is inevitable given the breadth of interested parties and when settling on the most appropriate training pathways in complex areas. Some of these tensions have served to air, work through and address diverse views. But challenges that can hinder both progress and positive outcomes include:

- limited engagement, consultation and validation processes
- unresolved disputes within or among industry stakeholders that originate outside the training system, e.g. industrial disputes, employment conditions, business models
- inflexible positions taken by stakeholders where nationally effective outcomes are needed
- industry stakeholders not meeting or agreeing with national policies and standards
- differing interpretations among jurisdictions and State Training Authorities (STAs)
- misalignment between training packages and regulatory frameworks, and
- siloes which hinder collaboration, innovation and decision-making across the system.

The case studies detailed later in this paper demonstrate how some of these issues has been resolved.

## System oversight and outcomes

A shared system requires clearly defined objectives to ensure a focus on the common good. System level outcomes need to be set and monitored by Skills Ministers and underpinned by national rules and standards which establish clear requirements and processes, while allowing flexibility for innovation and to reflect different jurisdictional contexts. Key outcomes include:

- economic considerations, such as workforce development, mobility and productivity
- social considerations including participation, addressing disadvantage and improving inclusion
- strengthening the connections between skills, occupations and jobs
- responding to rapidly evolving situations including bushfires, flooding and pandemics
- high quality and trusted education and training.

The AISC has recognised the need for a clearer, stronger accountability and reporting framework. Diffused roles and responsibilities across the system have complicated progress and have seen some training product development processes become long and complicated. While concentrating on one aspect of the system (i.e. not program management or ministerial endorsement arrangements), the Fyusion review commissioned by the AISC in 2018 found the training package process:

- is overly complex and bureaucratic
- lacks transparency
- is difficult to engage with
- takes an average of 18 months to develop a training product with more than one third of updates taking over two years.<sup>6</sup>

In response to these findings and other reviews and feedback, the AISC actively involved industry stakeholders to improve aspects of the training system, including the qualification development process and speed-to-market. Another priority has been significantly increasing engagement with industry to ensure needs and views and concerns are identified, understood and acted on early.

A recurring challenge has been that – in the absence of another industry ‘voice’ to government or other avenues for escalation and resolution – industry stakeholders have sought to use training packages and the AISC to pursue wider goals. That includes pursuing occupational licensing, business regulatory regimes or industrial relations changes that lie beyond the training system. As a result, some issues have proven difficult or, at times, impossible for the AISC to resolve.

## Key activities

Since its establishment the AISC will have met a total of 49 times by December 2022.

The Committee oversees a national network of 67 Industry Reference Committees (IRCs) that are made up of over 800 industry leaders. IRC members come from big and small enterprises, peak bodies and unions, or are experts who understand the skills and training needs of their sector or occupation.

IRCs have been supported by time-limited technical advisory committees that incorporate relevant expertise for specific projects. These volunteer groups have allowed several thousand more industry members to be directly involved in the development of relevant training products.

IRCs and their technical advisory committees have met regularly and been closely supported by six Skills Service Organisations (SSOs) which have provided technical expertise, project management and secretariat services under contracts with the Commonwealth Government.

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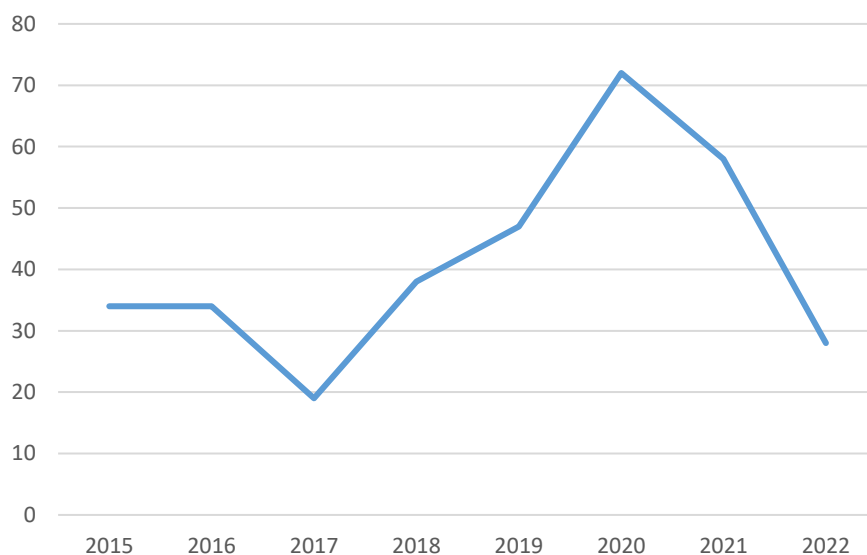
<sup>6</sup> Fyusion, 2018, *Training Package Development, Endorsement and Implementation Process – Current State Report*

Since 2015, the AISC has been supported by a Secretariat based in the Commonwealth department with responsibility for VET. The Secretariat coordinates and prepares the AISC’s correspondence, papers and briefings, and engages closely with industry and government bodies to understand issues, explore possible options and solutions, and address or escalate any concerns. The AISC Secretariat also manages engagement with state and territory Senior Officials and Skills Ministers. This ‘behind the scenes’ role has involved a significant investment of time, effort and resources to ensure that each of the following activities has occurred as smoothly as possible.

The AISC has strived to ensure national training packages reflect current and emerging skills and training needs and align with the job roles of today and tomorrow. As a result, the national training system is largely up to date.<sup>7</sup>

Since 2015, around 330 Cases for Endorsement (CfEs) – presenting new and updated training products, have been developed by IRCs and SSOs and submitted to the AISC for consideration ahead of ministerial endorsement. At a peak in 2020, a total of 72 CfEs were submitted in one year (**Figure 2**).

**Figure 2: Number of CfEs submitted to the AISC**



Source: AISC Secretariat, 2022.

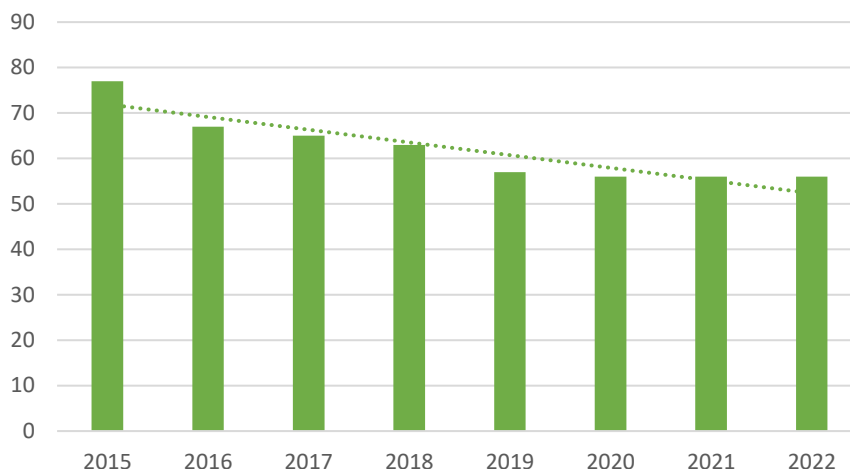
A key objective for the AISC has been to implement training package reforms agreed by Skills Ministers. This has included reducing the number of old and unused training products, as well as increasing speed-to-market and the availability of skill sets.

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<sup>7</sup> Analysis undertaken by the AISC Secretariat in late 2021 showed that 77 per cent of all qualifications related to occupations identified by the National Skills Commission as ‘in shortage with strong future demand’ had been updated within the last three years.

The AISC has successfully reduced the overall number of training packages in the national system from 77 to 56, a one-third reduction (**Figure 3**). Collectively, these training packages are made up of around 1,200 qualifications and around 15,000 units of competency.

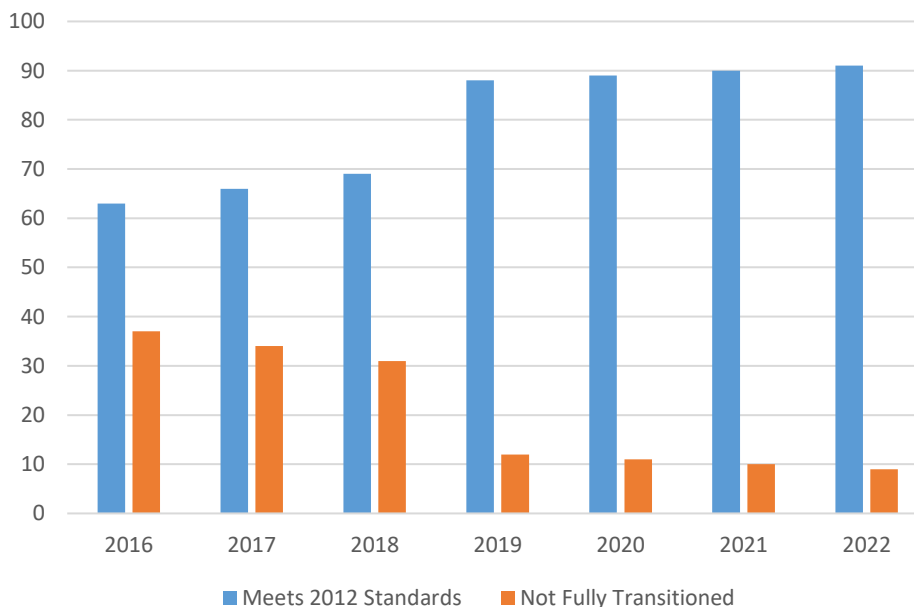
**Figure 3: Number of training packages**



Source: RTO and NRT Statistics from the National Register, TGA, September 2022.

The AISC has been responsible for transitioning training packages to the *Standards for Training Packages* that were agreed by all governments in 2012. In 2016, only 63 per cent of training packages had been transitioned to the standards. By October 2022, 91 per cent of training packages had been transitioned (**Figure 4**), with the remainder partially transitioned.<sup>8</sup>

**Figure 4: Percentage of training packages transitioned to 2012 Standards**



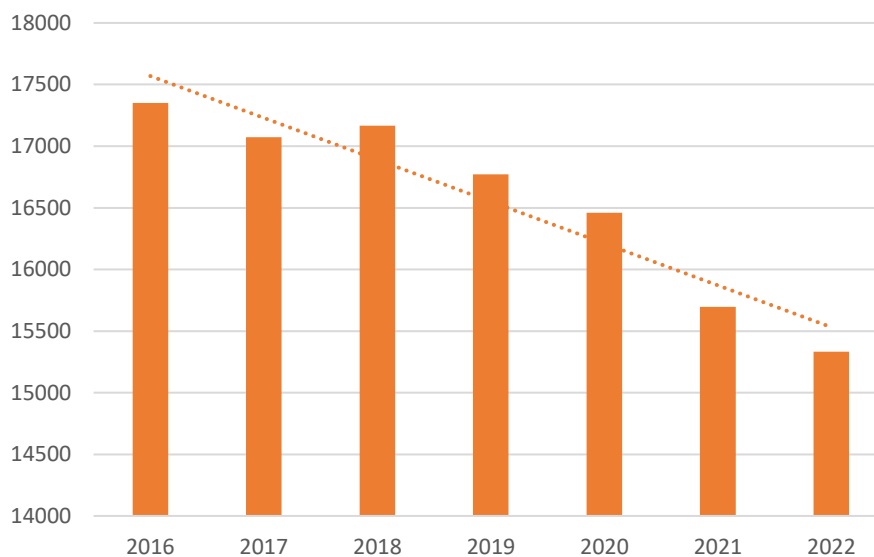
Source: AISC Secretariat, 2022.

<sup>8</sup> MEM05 Metal and Engineering, LMT07 Textiles, Clothing and Footwear and MSA07 Manufacturing are being updated as part of MEM Release 3, which is expected to be completed in late 2022. CPC08 Construction, Plumbing and Services has non-transitioned units included in qualifications that have been granted an extended transition to 27 November 2022. Additionally, three non-transitioned units support current Victorian and Queensland trade licensing requirements. CPP07 Property Services has a small number of non-transitioned units and the department is working with the relevant IRC to determine how these will be transitioned.

In late 2020, Skills Ministers tasked the AISC with removing training products with no recent or expected enrolments from the training system. Drawing on the advice of IRCs, the AISC’s streamlining exercise resulted in the removal of 5 per cent of all units of competency and 3 per cent of all qualifications where there had been no enrolments over the last three years. One of the unexplained phenomena that consistently emerged in doing this reduction exercise was continual feedback from industry groups that there was a desire to keep many of the low and no enrolment units of competence and qualifications ‘alive’ in the National VET Register. These products might form the basis for the content of some unaccredited training.

More remains to be done to reduce the size and complexity of training packages. But the total number of units of competency has decreased by 2,018 (12 per cent) since the AISC began (**Figure 5**).

**Figure 5: Number of units of competency**



Source: *RTO and NRT Statistics from the National Register*, TGA, September 2022.

The AISC introduced a prioritisation framework to improve the speed-to-market and responsiveness of training product development and to ensure training packages are up to date. This initiative responded to research which demonstrated the average timeframe for developing a qualification was 18 months, with more than one third of training package updates taking over two years.<sup>9</sup>

Established in 2020, the AISC’s prioritisation framework set expected maximum timeframes for training product development, including:

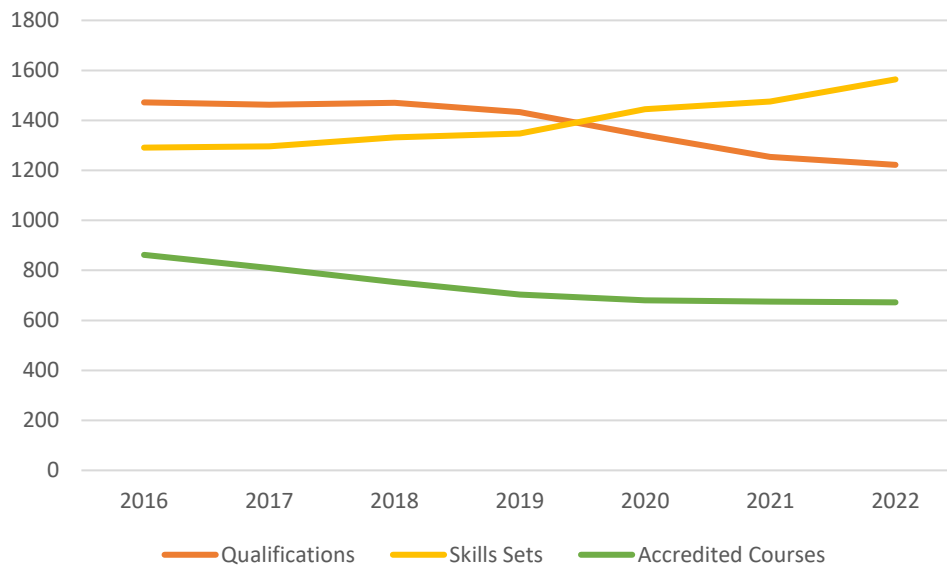
- 6–8 months for urgent and straightforward projects
- 12 months for routine projects, and
- 18 months for more complex training product development.

<sup>9</sup> Fyusion, 2018. *Training Package Development, Endorsement and Implementation Process: Current State Report*.



In line with reforms agreed by Skills Ministers – and to ensure new training can be developed quickly to meet industry needs – there has been overall growth in the number of tailored skill sets and a corresponding reduction in the number of VET qualifications and accredited courses (**Figure 6**).

**Figure 6: Number of qualifications, skill sets and accredited courses**



Source: RTO and NRT Statistics from the National Register, TGA, September 2022.

## Key initiatives

The AISC has adopted measures to improve communication, decision-making and collaboration.

This has included more active communication with IRCs and hosting IRC Chair days, as well as ongoing close communications and briefings to the AISC on high priority and complex training package projects. These approaches have been valuable for supporting engagement, monitoring progress and meeting deadlines.

Other arrangements have reflected the importance of more rapid, effective decision-making and fostering collaboration and innovation across industry sectors. Among other objectives, the following initiatives have taken a broad perspective on emerging skills needs, reduced the level of complexity and siloes in the training system, and helped facilitate mobility between occupations.

### AISC Emergency Response Sub-Committee

- At the height of the COVID-19 pandemic in early 2020, Skills Ministers agreed to establish a time-limited AISC Emergency Response Sub-Committee (ERSC) to respond quickly to vital workforce, training and skills needs.
- During its tenure, the ERSC oversaw the development of new infection control skill sets for the retail, food handling, transport and logistics and health sectors. An additional cross-sectoral skill set was created to address infection control across a broad range of industries and to complement the original skill sets. Contextualisation advice was provided for RTOs across 10 industry sectors and 31 sub-sectors. Advice on how to conduct first aid training in a COVID-19 safe manner was also widely promulgated through this committee.
- This rapid approval model for training product development has been widely acknowledged as an example of a successful response to the pandemic and supporting critical skills needs.

- The main elements of the ERSC model were:
  - a clear mandate with focused roles and responsibilities
  - streamlined training product processes and documentation
  - regular meetings allowing for a rapid response to emerging skills issues
  - membership with the expertise to support informed, rapid decision-making.
- The ERSC met a total of 20 times.

### Digital Transformation Expert Panel

- In late 2019 the AISC commissioned a Digital Transformation Expert Panel to provide advice on how the training system can best respond to the digital change that is underway across the economy and the impacts of digital transformation on the workforce.
- The Expert Panel analysed current approaches in Australia and internationally and consulted IRCs and a wide range of industry and training experts.
- Expert Panel members presented their report, *The Learning Country: Digital Transformation Skills Strategy*, to the AISC in early 2021. The report highlighted the value of lifelong learning and ensuring the VET system responds to digital change. The Expert Panel also identified potential gaps in supports for employers, learners and workers.
- This work is continuing to inform training product development and national policy, including the national Digital Economy Strategy.

### Environmental Sustainability Skills Project

- The AISC also established an Environmental Sustainability Expert Panel in 2019. This group of experts was asked to develop advice on how the skills required for environmental sustainability could be addressed through the training system, as well as how to reduce the duplication of training products arising from previously siloed approaches to this issue.
- The group developed research, analysed existing training pathways, and consulted widely across IRCs. The Expert Panel delivered its report to the AISC in late 2019.
- While some of the report's recommendations proved challenging to implement in the midst of major national reforms, this important work was shared with IRCs and has informed policy and training product development.

### Cross-Sector Supply Chains

- Reflecting the changing and increasingly interconnected economy, the AISC established a Cross-Sector Supply Chain Skills project to identify training pathways and solutions for skills that are common across industry sectors.
- A project reference group with expertise from diverse industries (i.e. mining, business services, advanced manufacturing, printing and graphic design, and textiles, clothing and footwear) worked closely with the Transport and Logistics IRC.
- This work resulted in the development of 16 units of competency and 10 skill sets that were approved by the AISC in early 2020. These cross-sectoral training products cover important areas such as digital supply chain establishment, operations and supervision, and can be adapted to a range of industry contexts.

Other cross-sector projects have concentrated on:

- big data
- cybersecurity
- teamwork and communication
- inclusion of people with disability, and
- consumer engagement through social media

## Capacity building

The AISC has undertaken work throughout its tenure to develop evidence and resources that have strengthened the capabilities and capacity of IRCs, SSOs and other stakeholders (see **Bibliography**).

These activities included developing evidence on good practice consultation such as the guidance material developed on mandatory workplace requirements in response to the disruption caused by COVID-19.

- The *Mandatory Workplace Requirements: Good Practice Guide* was prepared to support a shared understanding of workplace requirements among training providers, industry partners, VET system regulators and funding bodies.
- The guidance material is framed around the application of five good practice principles that set out a series of steps that should be followed in the training product development process, to enable consistent application.
- While mandatory workplace requirements remains a significant issue, in following the good practice principles, training package developers can be confident that any mandatory workplace requirements reflect industry needs.

The AISC also commissioned tools and resources to assist the skills forecasting that IRCs and SSOs have undertaken to inform training product development and related activities. As an example, the *National Industry Insights Report* website has been a valuable, albeit under-utilised resource, developed by the National Centre for Vocational Education Research. It provides comprehensive Industry Skills Forecast input from each IRC, and was designed to assist IRCs to identify skills needs across industries.

Further work remains to be done in this area, that includes ensuring industry sectors are able to adopt a longer-term 'cross-economy' lens to better gauge and respond to what is occurring beyond their industry and its current needs and opportunities. Moreover, industries need to be equipped to respond more quickly and effectively to complex trends such as social, environmental and digital change.

## Recurring issues

When they have concerns with training products that have been developed by IRCs, STAs lodge reports by exception for inclusion in a CfE before it is submitted to the AISC for approval. A total of 37 reports by exception were lodged in 2020.

Some reports by exception reflect matters of policy interpretation, potential implementation challenges, or unresolved concerns of local industry stakeholders. Many of these issues have been a result of multiple, ambiguous elements of the Training Package Organising Framework (TPOF). The TPOF is being revised to support the commencement of new industry engagement arrangements and to provide best practice guidance in training package development to reduce ambiguity.

**Table 1** identifies the recurring technical concerns that have been raised via reports by exception and how each issue has been resolved by the AISC.

**Table 1: Common concerns raised in reports by exception**

Concern	Description	Solution / mitigation
Equivalence vs non-equivalence	Whether a training product is considered 'equivalent' or 'not equivalent' to its predecessor can be significant and contentious. Non-equivalent training products raise delivery, assessment, financial and administrative considerations for RTOs, including the need to reapply to have training products on scope.	Equivalence is a matter of whether or not occupational outcomes remain unchanged. The <i>Training Package Product Policy</i> (TPPP) outlines that equivalence is determined based on whether a superseding qualification has the same job outcome, and whether skills can be mapped between superseded and superseding qualifications.  While industry experts are the appropriate judges of equivalence, mapping and qualification packaging rules must be rigorous and clear.
Major vs minor change processes / standalone units	The <i>Training Package Development and Endorsement Process Policy</i> (TPDEPP) is interpreted to mean a 'minor change' is permissible only when <u>existing</u> units are moved into an elective bank for a qualification, rather than <u>new</u> units moving into electives. This can complicate training product development.  Issues also arise when the TPDEPP is interpreted as requiring <u>all</u> new units to be packaged in a qualification (i.e. precluding standalone or 'orphan' units).	The main concern with 'minor change' processes is there is no clear signal to relevant RTOs to update training materials. This can be mitigated by effective communication with training providers and industry stakeholders.  In June 2021, the AISC agreed the <i>Principles for guiding decision making on standalone units</i> to reduce inconsistency and provide clarity for stakeholders around circumstances for endorsement of standalone units.
Churn	Churn is created by regular or frequent updates to training packages.  Unnecessary churn can occur when marginal changes are implemented through a 'major' process (ministerial endorsement), which requires training products to be 'recoded' and RTO course materials to be updated.  Additionally, churn can occur when training product updates are not planned and sequenced strategically.	There will always be a degree of 'churn' as training packages need to be current and responsive.  But impacts on RTOs can be mitigated by clear scoping and planning, as well as effective communication from industry to ensure that RTOs are aware of any training developments and planned changes. This issue has assumed greater prominence since ASQA has commenced full cost recovery from RTOs who are required to change their registration scope due to such churn.

## Case studies – complex and contentious training package updates

The following case studies outline some challenging updates to training packages. While most of these cases have been resolved successfully, some are yet to be finalised and many caused significant delays in the development and endorsement of important training pathways.

Each case study highlights that it is crucial for stakeholders to work collaboratively, consult effectively and reach consensus, and that clear responsibilities and accountabilities are essential.

### Case Study 1 – MEM Release 2 (training pathways)

- In 2013 work began to update the MEM Manufacturing and Engineering Training Package to transition trade-related qualifications and units of competency to the *Standards for Training Packages*.
- In late 2017 the AISC did not approve MEM Release 2.0 because the IRC included advice on mandated training pathways, specifically apprenticeships, which are a matter for individual jurisdictions to determine. Stressing the importance of workplace practice, the Manufacturing and Engineering IRC responded by mandating extensive hours for work placements.
- The Skills Senior Officials' Network (SSON) worked closely with the AISC, IRC and other stakeholders over several years to explore potential means of meeting industry needs, complying with the Standards for Training Packages, and addressing implementation concerns.
- In December 2020 Skills Ministers agreed to a one-off, limited exemption to the *Standards for Training Packages* to allow mandated workplace-based pathways for MEM trade qualifications.

### Case Study 2 – CPC Crystal Silica Safety Awareness (conflicts of interest)

- A Crystal Silica Safety Awareness project undertaken by the Construction, Plumbing and Services IRC in 2021 was delayed by a perceived conflict of interest within the IRC.
- The Construction, Forestry, Mining and Energy Union (CFMEU) raised concerns that consultation processes were flawed because IRC and working group members who declared a conflict of interest participated in unit development discussions.
- These matters were addressed through multiple discussions and correspondence between the AISC, IRC, copyright owner of a related accredited course, CFMEU and Skills Ministers.
- In December 2021 the AISC updated the IRC Operating Framework – which sets the requirements IRC operations – to clarify and strengthen advice on the identification, declaration and management of conflicts of interest.

### Case Study 3 – TLI High Risk Work Licences (alignment of training and regulation)

- In 2016 the AISC commissioned the Transport and Logistics IRC to update high risk work licence (HRWL) units of competency related to operating cranes. These updates were approved by the AISC in mid-2018.
- Throughout 2019 and 2020 trucking and port operators raised concerns that the updated HRWL units did not align with and, in fact, exceeded legislated safety regulations. When the Transport and Logistics IRC could not agree on a resolution, this matter was referred to Safe Work Australia (SWA).
- On advice from SWA, in early 2021 the AISC approved work to amend affected units to realign them with the national work health and safety regulations set by SWA through fast-tracked training product development.

- In this situation, industry had used a training package to address broader, non-training concerns, with the Transport and Logistics IRC attempting to pre-empt perceived safety issues. Initial consultation with regulators was also limited, which led to work by the AISC to strengthen consultation processes.
- SWA has subsequently commenced a review to capture wider industry concerns about regulations for crane operators.

#### **Case Study 4 – Updating the TAE Training Package (amending critical qualifications)**

- The current version of the TAE training package was first approved by the AISC in early 2016.
- In August 2021 the AISC approved a ‘holistic’ review and update of the TAE Training Package, in what was the third attempt by the Education IRC to have a Case for Change (CfC) approved. CfCs in 2017 and 2018 were not approved primarily due to concerns regarding the implementation and impact of further changes on the VET workforce.
- Any review of the TAE Training Package is significant due to its linkages to the *Standards for Registered Training Organisations 2015* and VET trainer and assessor credentials, specifically the *Certificate IV in Training and Assessment*. Moreover, this project has close links to the ‘quality’ element of the national reform agenda.
- Where national reform is underway, careful management of training package updates is required. Additional governance arrangements may be needed to ensure alignment between training package updates and broader agendas, in this case via a strategic committee that has brought together industry and government stakeholders. Regular and sustained collaboration is key.

#### **Case Study 5 – CHC Early Childhood Education and Care (achieving consensus #1)**

- In November 2016 the AISC commissioned the Children’s Education and Care IRC to update early childhood education and care qualifications in response to findings from a strategic review undertaken by the Australian Skills Quality Authority (ASQA).
- The IRC undertook three rounds of national consultations from 2017 to 2020.
- The Australian Children’s Education and Care Quality Authority objected to a new entry requirement for the Diploma-level qualification. Industry supported a Certificate IV being replaced with a Certificate III, but the IRC did not develop a replacement qualification.
- In February 2021 the AISC asked the IRC to reconsider these key concerns. Stakeholders had conflicting positions regarding updates to two important qualifications with the potential to impact the early childhood teacher workforce.
- In April 2021 the AISC approved a resubmitted CfE. Some jurisdictions expressed concern that the deletion of the Certificate IV before the Certificate III was available would create a gap in the training market. To alleviate concerns, the AISC agreed to develop research and resources that will support recognition of prior learning.
- Divergent stakeholder views can create challenges and delays in training package updates. Multiple discussions and negotiation can be required to identify a way forward.

## Case Study 6 – CHC Aged and Disability Care Qualifications (achieving consensus #2)

- In October 2021 the AISC approved updated training products in the CHC Community Services Training Package for Individual Support, Ageing and Disability Support.
- AISC approval was contingent on the training package being referred to SSON for advice on outstanding issues related to the content and structure of the qualifications and steps that could be taken to support implementation by RTOs.
- This project had unique governance arrangements, with three separate IRCs jointly leading work (the Direct Client Care and Support, Disability Support and Aged Services IRCs). Extensive consultation was undertaken given the significance of these qualifications.
- Training packages updates also needed to implement recommendations from the Royal Commission into Aged Care Quality and Safety and National Disability Insurance Scheme Workforce Capability Framework.
- While the final CfE had evidence of industry support, four jurisdictions submitted reports by exception citing unresolved industry concerns.
- Referring the CfE to SSON has seen an ongoing delay in training product endorsement and release to market. These important training products are yet to receive ministerial endorsement.

## Consultation and consensus

Each of the above cases highlights the critical importance of consultation and consensus throughout training package development. The national training system has many end-users and is not and cannot be 'one size fits all'. Attempts to be overly prescriptive cause problems. So do attempts to force consistency where sectors or jurisdictions have differing training, occupational and regulatory contexts.

In many cases, training packages elicit strong views, whether from large organisations or individual people who have been closely involved in the design and delivery of training. As a result, achieving consensus can be challenging and unanimity is rare. However, seeking to compromise can also be problematic where doing so might mean diluting skills and training outcomes.

Strong stewardship and decision-making is required to achieve the best outcomes. Often this can only be achieved through close and careful work with stakeholders via formal and informal structures. Decision-makers need to see how a wide range of views – including dissenting views – have been sought, considered and responded to. But it is important to be mindful that in the context of COVID-19 and major VET reform over several years, industry stakeholders are reporting significant consultation 'fatigue', further highlighting the need to engage cleverly and effectively.

The efforts of the AISC Emergency Response Sub-Committee highlighted how consultation can be sharper and smarter when needed. The challenges of the pandemic, including the need for rapid responses, meant the AISC spent more time considering the balance between consultation and action, including gauging what 'good' consultation and outcomes looked like in order to achieve acceptable outcomes for all stakeholders.

## **Conclusion**

The role of the AISC in recommending updates for nationally recognised training products to Skills Ministers for endorsement ceases on 31 December 2022.

Skills Ministers will establish a new training package assurance function to ensure Industry Clusters develop high quality training products. All governments have decided to transition this assurance function to the Australian Government Department of Employment and Workplace Relations for a limited time, pending a post-implementation review of the implementation of industry engagement arrangements. This interim arrangement will provide time to fully consider the longer-term arrangements of this important function.



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## Attachment A

# Australian Industry and Skills Committee

## Terms of Reference

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### Purpose

The Australian Industry and Skills Committee (AISC) is established by the agreement of the Members of the Council of Australian Governments (COAG) Industry and Skills Council as an industry-led body that provides advice on the implementation of national vocational education and training policies.

The Committee's role is to provide advice to ensure that the directions taken by ministers are informed by an industry-based perspective focused on the quality and relevance of the national training system. Where required, the Committee will be delegated the authority to approve industry-defined training qualifications.

### Functions

The functions of the AISC are to:

- Advise on the implementation of national training policies;
- Quality assure and approve training packages for implementation;
- Oversee the process for development and approval of accredited training;
- Provide direction on the national vocation education and training (VET) sector research priorities, including the work of the National Centre for Vocational Education Research (NCVER);
- Provide advice to the COAG Industry and Skills Council on training provider and regulator standards
- Coordinate industry engagement through the COAG Industry and Skills Council meetings; and
- Undertake work as directed by the COAG Industry and Skills Council.

Functions of the Committee may alter as reforms to the development of industry-based training qualifications are agreed. Revised functions, where considered major, would be agreed by COAG Industry and Skills Council Members.

## Membership

Members of the Committee will undertake the functions as outlined above and will be comprised of Members with significant industry experience.

The current membership of the Committee in 2022 is as follows:

- Emeritus Professor Tracey Horton AO, AISC Chair
- Ms Tara Diamond, Commonwealth nominee
- Mr Vince Ball, ACT Nominee
- Professor Trevor Cairney OAM, NSW nominee
- Dr Don Zoellner, NT nominee
- Mr Brett Schimming, QLD nominee
- Ms Adrienne Nieuwenhuis, SA nominee
- Ms Lee Veitch, TAS nominee
- Ms Liz Beattie, VIC nominee
- Mr Iain McDougall, WA nominee
- Ms Nadine Williams, Commonwealth SSON Ex-officio
- Ms Jodie Wallace, State and Territory SSON Ex-officio
- Ms Megan Lilly, Industry peak body nominee (Rotating Member and Observer)
- Ms Jenny Lambert, Industry peak body nominee (Observer and Rotating Member)

All Members should be drawn from industry and have an understanding of the vocational education and training sector.

## Responsibilities

The responsibilities of the Chair of the Committee and all Members are as follows:

- Provide expert advice on matters related to the implementation of national training policies.
- On delegation from ministers, oversee quality assurance processes and approval of industry-defined training qualifications, presently in the form of training packages.
  - Approvals will be based on agreed endorsement processes to ensure industry-defined qualifications within training packages meet quality benchmarks.
  - This will involve consideration of the implementation of the 2012 training package development standards and their impact on quality.

- Advising the Council via regular reports from the Committee, on the operation of Standards (including the Standards for Registered Training Organisations, VET Regulators, Standards Training Packages and VET Accredited Courses).
  - This includes provision of advice on consideration of any proposed changes to these Standards, considering research priorities for the VET sector and providing research directions which will guide work in the sector, including NCVER's research program.
- Providing an industry perspective on the vocational education and training sector, informed by consultation.

## **Expectations of Members**

The Chair and Members of the Committee, in fulfilling their roles are expected to:

- Declare any real or potential conflicts of interest prior to appointment and during membership of the Committee, if and as conflicts arise.
- Ensure the appropriate and proper use of information obtained through membership of the Committee.
- Respect the diverse views and capacities of all Members.
- Contribute to consensus decision-making.

As required and with the Chair's approval, other experts may be invited to attend and speak to specific agenda items at Committee meetings – for example, presentation of outcomes on a specific project or provision of information relevant to discussions.

## **Support from Officials**

The Committee will work jointly with Skills Senior Officials Network from the Commonwealth, states and territories to ensure that policy advice and decisions consider perspectives from all jurisdictions. There will be two Ex-officio Members on the Committee; one nominated by the Commonwealth and one jointly nominated by the states and territories. The role of Ex-officio Members is to provide a link to the Skills Senior Officials Network and be able to provide government perspectives where requested by the Committee.

There will also be the capacity for the Committee and the Skills Senior Officials Network to meet to facilitate the sharing of views and forming of advice to ministers.

## **Meeting arrangements**

The Committee is expected to meet in-person at least six times per year, and where required, conduct out of session business.

Secretariat support will be provided to the Committee by the Commonwealth.

## **Operational arrangements**

Committee Members will be reimbursed by their jurisdiction for reasonable travel costs. The Commonwealth will reimburse the industry peak body member. Commonwealth Members who are employees of a business will receive sitting fees set by the Commonwealth Remuneration Tribunal. Other payments to state and territory Members are at the discretion of their jurisdiction.

## **Engagement with the sector and stakeholders**

The secretariat will establish processes on behalf of the Committee to engage with stakeholders in the sector to furnish advice for the Committee's consideration.

## **Review**

The role of the Committee and its ongoing functions will be subject to review by Members of the COAG Industry and Skills Council as is agreed appropriate.