

**INQUIRY INTO VOCATIONAL EDUCATION AND  
TRAINING IN NEW SOUTH WALES**

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# Inquiry into Vocational Education and Training in NSW

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*ForestWorks Ltd is the national workforce development organisation for the forest, wood, paper and timber products industry. ForestWorks Ltd thanks the Legislative Council Standing Committee for providing this opportunity to comment on the Inquiry into Vocational Education and Training in NSW.*

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## Introduction

As the national workforce development organisation for the forest, wood, paper and timber products industry, ForestWorks Ltd would like to take this opportunity to comment on the Inquiry into *Vocational Education and Training in NSW*.

ForestWorks Ltd understands and supports the need to strengthen vocational education and training in NSW by reviewing the effects of a competitive training market on access to vocational education and training and pathways to employment outcomes and the impact of Smart and Skilled reforms.

In this submission ForestWorks will address the following issues outlined in the terms of reference, on the basis of their priority for the forest, wood, paper and timber products industry:

(e) The level of industry participation in the VET sector

### **Disclosure**

*ForestWorks Ltd has been accessing ISC funding and performing the various ISC roles on behalf of the industry since 2008 through structures that are known as ForestWorks ISC. ForestWorks Ltd and the Forest, Wood, Paper and Timber Products industry acknowledges this funding assistance in its skill development efforts. The comments in this paper are made as an expert skills development organisation supporting the industry, rather than comments made from an ISC.*

## Summary of Recommendations

**The level of industry participation in the VET Sector is determined by quality of training and assessment policies and practices as well as quality of funding policies**

Recommendations for ensuring high quality training and assessment practices:

1. **Tighter controls should be placed on assessment practices and more transparent and nationally moderated assessment practices and tools should be provided.** Such measures will ensure consistent high quality training and assessment outcomes for industry, and the stability and sustainability of the New South Wales training market.

Industry should have a mechanism supported by the government that allows them to independently verify that the assessment outcome has met the skills standard. The current system where the training organisation designs and uses its own assessment instruments and performs the assessment on its own students is a key contributor to quality issues.

2. **Training delivery and assessment responsibility should be separated.** Consideration of a system that separates training delivery and assessment responsibilities would remove the sole right currently held by Registered Training Organisations (RTOs) to issue qualifications against the training they deliver, and would remove any bias that RTOs have in issuing qualifications due to the impact on their funding.
3. **Low risk providers, who provide good quality outcomes for industry, should not be penalised by regulation put in place to curb high risk providers.** Innovation and best practice should continue to be supported by the VET sector, particularly where RTOs have established relationships and are valued by industry. High quality practice often does involve third party delivery arrangements where industry enterprises partner with RTOs to gain national skills recognition for workers. These arrangements should be supported and encouraged when it is clear that they deliver greater value and expertise than is otherwise available.
4. **An increased focus on investigating and deregistering high risk providers, and responding to complaints made,** will provide the largest gains for the reputation of the VET sector in terms of quality outcomes for industry.

Recommendations for ensuring high quality funding policies

5. **The contribution of employers and learners to technical and other skills development must be both encouraged and recognised through the continued use of incentives, such as government subsidies and other mechanisms.** The policies should ensure fair and well-targeted access to funded training.
6. **Training providers should be encouraged and adequately funded to place increased emphasis on transferable skills.** Transferrable skills are an imperative for an adaptable and responsive workforce to enable industry productivity and growth. There is a role for training providers to provide generic and transferable skills development to provide the capacity for the workforce to adapt to ongoing change.

# Factors influencing the level of industry participation in the VET Sector

## High quality training and assessment

### **Ensuring high quality training through tighter controls on assessment practices and outcomes**

The quality issues experienced in the VET sector are usually due to inconsistent assessment outcomes. This can largely be attributed to the current system that regulates the outcomes via skills standards and qualifications and then allows each individual RTO to devise its own approach and standards to assess students.

Tighter controls and transparency need to be introduced so that industry and the organisations writing the standards are also checking that the training is meeting those standards. We think that it is very challenging for organisations providing the training to objectively assess whether their own training has met the desired outcomes.

To improve quality outcomes for industry provided by the VET sector, controls on assessment practices and outputs should be tightened. The largest gains to be made for the reputation of the VET sector is in terms of quality outcomes to meet industry needs and this can be achieved by providing more transparent and nationally moderated assessment practices. Industry should have a mechanism supported by the government that allows them to verify that the assessment outcome has met the skills standard.

### **Separation of training delivery and assessment responsibilities**

A system should be considered that separates training delivery and assessment responsibilities and the removal of the sole right currently held by Registered Training Organisations (RTOs) to issue qualifications against the training they deliver. It is clear that RTOs have a bias toward issuing qualifications, as this affects if and when they receive funding. We propose the exploration of a model where a limited number of organisations (not RTOs in many cases) issue qualifications in Victoria significantly reducing the number of organisations requiring detailed regulation.

### **Good quality outcomes should be supported**

Low risk providers who provide good quality outcomes should not be penalised by regulation put in place to curb high risk providers. This concept would allow for innovation and best practice to continue to be supported by the VET sector particularly where RTOs have a proven track record in delivering a quality service to industry. The current freeze on third party agreements for training delivery is an example where high quality providers are prevented from providing a service requested by an enterprise partner in the pulp and paper sector of our industry. In our industry, TAFE has operated in the Pulp and Paper sector through third party agreement models designed to utilise existing and current skill expertise within industry. This relationship has been longstanding and critical to skills recognition of individuals and oversight of training and assessment practices across a range of workplaces in the sector. The impact of recent funding restrictions and the freeze has stopped this high quality practice in its tracks and is leading to a level of industry dissatisfaction with the VET sector for this decision. We would recommend that in cases like this where training providers have established relationships and their services are valued by industry the freeze should be lifted so that they can resume this service to our industry as soon as possible.

### **An increased focus on high risk providers**

Where skill areas have an inherent risk of exploitation by providers they would benefit from increased regulatory focus. An increased focus on investigating and deregistering high risk providers will provide the

further gains for the reputation of the VET sector in terms of quality outcomes for industry. In our industry there are currently a proliferation of training providers delivering a range of high risk training in areas like chain saw maintenance, tree felling and truck driving in very short time frames with what appears to be very little rigour in assessment. Feedback from our stakeholders is that complaints don't appear to be followed through so that these high risk providers continue to show a blatant disregard for standards.

## The role of funding

### **The role of funding in ensuring fair and well targeted access to funded training**

We believe that in order to “play their part” in building a better Australia, the contribution of employers and learners to technical and other skills development must be both encouraged and recognised through the continued use of incentives, such as government subsidies and other mechanisms. At the same time, training providers should be encouraged and adequately funded to place increased emphasis on the development of generic and transferable skills, in order to facilitate policy aims of productivity, growth and competitiveness.

### **Recognising the benefit of transferrable skills for a skilled future workforce.**

A strengthened focus on the development of transferable skills is required, with awareness that skills are best learned within a context.

The proportion of technical and non-technical skills in qualifications should balance the needs of individuals and employers across the each industry sector. This is evidenced by strong industry consultation and involvement in the development of qualifications in the forest, wood, paper and timber products industry. The skills mix provides enterprises with the flexibility to be productive and internationally competitive, as well as meeting the need to have individuals with transferable skills sufficient to be adaptive and responsive to ongoing industry demands.

### **Recognising industry's contribution**

Employers need workers with technical skills that closely match the equipment, processes and work requirements within their organisation, and which make them productive. Enterprises already play a significant role in the development of specific technical skills, often through internal training outside the publicly funded system, and in real work environments using the organisation's equipment and resources. The role they play in the technical skills development of future workers should continue to be recognised with adequate funding support from government e.g. the federal employer incentives of the past which have been discontinued

However, to achieve the workforce flexibility and adaptability that produces productivity gains for the economy, the development of transferable skills also needs to be supported. There is a role for training providers to adopt a stronger focus on delivering the cognitive and transferable skills that many individual employers lack the resources to provide, in order to ensure a learner can complete the full requirements of a qualification and become truly adaptable to changes in the job market.

To improve the quality, stability and sustainability of the Victorian training market a contribution by government is required and provides the incentive to learners and organisations to “play their part” in building a better Victoria . The need for government to develop the future workforce and improve the quality of VET provision by investing in VET educator skills development was highlighted in the 2011 Productivity Commission Research Report into VET sector skills.

Government support should be aimed at helping training providers focus their efforts on the development of cognitive and transferable skills and those technical skills which employers are not able to provide. We

see training providers being funded to deliver training that is already provided by employers in the workplace. We often observe that training providers are not able to add further depth in this area. This funding would be more effective if it was redirected to address skill gaps not able to be filled by the internal training provided by employers.

## Conclusions

ForestWorks' believes that a range of measures need to be introduced to address fundamental flaws within the system. Without compromising quality development, the focus should shift to industry approved assessment of skills, which can be achieved through the separation of assessment from provision of training. External moderation and assessment by industry approved bodies and through the use of standardised assessment tools could reduce much of the regulation and oversight necessary to maintaining quality under the current system.

ForestWorks strongly supports the maintenance of state based skill advisory service to provide advice to government to ensure the training delivery is matched to industry needs and job outcomes and the connection to industry is not lost. Without a good understanding of the industry viewpoint government may not be positioned to make informed decisions about funding.

We believe that the contribution of employers and learners to technical and other skills development must be both encouraged and recognised through the continued use of incentives, such as government subsidies and other mechanisms. At the same time, training providers should be encouraged and adequately funded to place increased emphasis on the development of generic and transferable skills in order to ensure the development of skills which will be required to participate in the workforce of the future.

Qualifications and skill standards provide benchmarks for training and define the skills required by the workforce to respond and adapt to the changing demands of industry growth and productivity. These documented benchmarks define high quality industry training standards and allow us to measure that outcomes of training have been achieved. These standards need to reflect current best practice and be documented as they emerge so that training is responsive and employers see the VET training system as effective and an imperative part of maintaining a skilled workforce to remain globally competitive.



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