

NATIONAL QUALITY COUNCIL / COAG
JOINT STEERING COMMITTEE

VET TRAINING
PRODUCTS FOR
THE 21ST CENTURY

Consultation Paper
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Further information is available at:

www.nqc.tvetaustralia.com.au

I. Purpose of this paper

The purpose of this consultation paper is to identify and discuss a range of key issues seen as fundamental for the development of a draft policy framework for VET Training Products for the 21st Century. The draft policy framework is being developed as part of a joint National Quality Council (NQC) and Council of Australian Governments (COAG) project.

The purpose of the joint project is to develop a draft policy framework and approaches for ensuring the VET system has the products (including units of competency, Training Packages, VET qualifications, accredited courses, credit systems and recognition arrangements) required to respond to changing labour market demand for the skills needed by businesses, industry and individuals in the 21st century.

As an outcome of the joint project, it is planned that recommendations relating to a draft policy framework will be presented to the MCVTE and COAG in mid 2009.

The paper is based on and reflects outcomes from an initial, short consultation process undertaken with key stakeholders in December 2008 and is designed to provide the basis for broader stakeholder consultation on options to address these key issues.

It provides an overview of the project background and discussion of the underpinning policy context, which 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, before moving on to a discussion of issues relating to:

- 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.

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 are provided for consideration.

A paper commissioned from NCVET to support the consultation process, *Competence and competency based training: What the literature says*, is available at www.nqc.tvetaustralia.com.au and should be read in conjunction with this paper.

2. Background and context

The NQC has long recognised the policy implications for the National Skills Framework¹ of the COAG human capital reform agenda. In November 2006, the NQC provided advice to the MCVTE on suggested policy priorities for the National Skills Framework to support the second stage of the COAG human agenda reforms. This advice included 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'.²

In keeping with this advice, as part of the 2007 NQC Work Plan, a number of research projects were conducted to scope and explore the 'next generation' of Training Packages and the construction of the unit of competency. Building on this research, as part of its 2008 Work Plan, the NQC planned to conduct a project designed to develop policy directions for the Council to consider in relation to the next generation of Training Packages through a broad consultative process.

At its meeting in March 2008, COAG identified the following key outcomes to boost Australia's workforce participation and productivity:

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.

Australia's VET system has a role to play in meeting these COAG outcomes. In particular, the VET system is critical for achieving an increased:

- proportion of the working age population at literacy level 1, 2 and 3 (in the Adult Literacy and Life Skills Survey³);
- 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);

The COAG outcome aimed at reducing gaps in levels of foundation skills recognises the critical relationship between initial and subsequent levels of educational attainment and workforce participation. Those with low levels of initial attainment subsequently have lower

¹ The 'National Skills Framework' includes Training Packages, the Australian Quality Training Framework (AQTF) and other quality assurance arrangements relating to the Australian national VET system. Under the terms of its Charter, the NQC has responsibility for providing advice to MCVTE on the National Skills Framework.

² *Second Stage of COAG Reforms – Human Capital Workforce Participation and Productivity, National Quality Council Implications and Issues Paper*, presented to MCVTE November 2006

³ Adult Literacy and Life Skills Survey, Summary Results, ABS, 2006, <[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/B22A471C221C7BADCA2573CA00207F10/\\$File/42280_2006%20\(reissue\).pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/B22A471C221C7BADCA2573CA00207F10/$File/42280_2006%20(reissue).pdf)>

levels of attainment and have less effective and shorter levels of workforce participation. Disadvantage compounds over time; those in the working age population with the lowest levels of human capital accumulate far less human capital than those with high levels of human capital. Acknowledging that literacy, numeracy and other foundation skills are the building blocks of human capital, 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 manner⁴.

Rapidly changing labour market demands (including the impact of structural change in the economy and the economic cycle) also 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 and that skills shortages must be reduced. Skills shortages, however, have both quantitative and qualitative dimensions: that is, there needs to be both a sufficient supply of skilled workers relative to demand, and those workers must have the kinds of skills required for a changing labour market.

COAG also agreed to some key policy directions for VET including:

Reforming training products, services, information systems and regulation to meet a more demand and client driven training system.

Recognising synergies between the planned NQC work in relation to the next generation of Training Packages and the COAG agenda, in mid 2008 a Joint Steering Committee of the National Quality Council and the COAG Skills and Workforce Development Sub Group was established to bring the work together in a joint project 'VET Training Products for the 21st Century'.

In undertaking this project the Joint Steering Committee has affirmed its ongoing commitment to an industry led VET system. More specifically, the Committee has affirmed the:

- need for a policy framework which enables VET qualifications and products to:
 - meet the needs of businesses and industry; and
 - equip individuals with broadly based skills and knowledge;
- continued existence of industry performance standards as the basis of Training Packages; and
- continued role of industry in defining workplace competence.

⁴ See DEEWR 2006 Overview analysis on Industry Skills Reports

3. Meeting the needs of diverse learner groups

While the needs of business, industry and individual are not identical, the COAG agenda sees them as converging. 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 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. 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 where learners may initially undertake programs to pursue leisure and personal interests but then turn these interests into business and employment opportunities.

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 many people do not work in the occupations for which they trained and many work in occupations for which they do not have relevant formal qualifications⁵. This suggests that the ability to

⁵ 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'.

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 personal attributes and capabilities required for specific jobs and the capacity to take on new roles and jobs as the labour market changes.

4. Issues to consider in developing the draft policy framework

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.

4.1 Approaches to defining & developing competency

'Competency' within the Australian VET system is defined as:

...the ability to perform particular tasks and duties to the standard of performance expected in the workplace.

Competency requires the application of specified skills, knowledge and attitudes relevant to effective participation in an industry, industry sector or enterprise. It covers all aspects of workplace performance and involves performing individual tasks; managing a range of different tasks; responding to contingencies or breakdowns; and, dealing with the responsibilities of the workplace, including working with others. Competency requires the ability to apply relevant skills, knowledge and attitudes consistently over time, and in the required workplace situations and environments.⁶

⁶ DEEWR, *Training Package Development Handbook*, <<http://www.tpdh.deewr.gov.au>>

This definition emphasises the importance of workplace experience in terms of the demonstration of competence. However it should be noted that within this definition there is an implicit tension between the capacity to apply skills, knowledge and attitudes relevant to *participation* in an industry, industry sector or enterprise (which does not necessarily imply a high level of proficiency) and the capacity to apply relevant skills consistently and over time in the workplace (which does suggest a high level of proficiency).

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 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 only reflect and do not exceed the work requirements for the unit. Similarly, knowledge requirements in the unit of competence must be related to specific work requirements.

The key issue in terms of 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 21st century workforce and to meet changing labour market demand.

In relation to foundation skills the International Adult Literacy and Life Skills Survey uses four domains. The domains are:

1. Prose literacy: the ability to understand and use information from various kinds of narrative texts, including texts from newspapers, magazines and brochures.
2. Document literacy: the knowledge and skills required to locate and use information contained in various formats including job applications, payroll forms, transportation schedules, maps, tables and charts.
3. Numeracy: the knowledge and skills required to effectively manage and respond to the mathematical demands of diverse situations.
4. Problem solving: goal-directed thinking and action in situations for which no routine solution is available.⁷

These domains are measured across five skills levels (only four levels for problem solving) with level three regarded as *the minimum required for individuals to meet the complex demands of everyday life and work in the emerging knowledge-based economy*.

These domains can be seen as falling within cognitive and social or personal/intra-personal competency domains. Some suggest that our technological society also requires an additional domain which encompasses information literacy.

The OECD in its important work on the Knowledge Economy defined the knowledge required in a knowledge based economy as:

- know-what which refers to knowledge about facts;
- know-why which refers to scientific knowledge of the principles and laws of nature;
- know-how which refers to skills or the capability to do something; and

⁷ Adult Literacy and Life Skills Survey, Summary Results, Australian Bureau of Statistics, 2006, <[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/B22A471C221C7BADCA2573CA00207F10/\\$File/42280_2006%20\(reissue\).pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/B22A471C221C7BADCA2573CA00207F10/$File/42280_2006%20(reissue).pdf)>

- know-who which involves information about who knows what and who knows how to do what⁸.

Other competency frameworks more explicitly recognise and separate out such cognitive, functional, social and meta-competence elements of competence (Le Deist and Winterton, 2005) or cognitive, technical, legal\ethical, organisational and personal\intra-personal elements (Torr, 2008) as described in detail in the NCVET paper.⁹

Two broad schools of thought have emerged from the initial consultations on this important issue of the way in which competency is defined.

On the one hand there is the view that the core strength of the VET system under the current competency model is its immediate and direct relationship with employment and job roles and that the current definition of competence is sufficient if units of competence are correctly interpreted and effectively delivered and assessed by Registered Training Organisations.

Those holding this view have expressed concerns that any attempt to 'broaden' the current definition of competency to focus more strongly on intangible and possibly subjective competency criteria (such as personal attributes and capabilities) will lead to confusion about the purpose of, and outcomes from, VET qualifications. Furthermore, it may be argued that any broadening of the current definition of competency to include literacy, numeracy and knowledge requirements beyond those required for specific work roles may disadvantage some VET learners, particularly existing workers, who may be locked out of or unable to successfully complete qualifications which include such broader components.

On the other hand, it may be argued that the current definition of competency, with its strong focus on workplace performance (and particularly when coupled with the current Training Package qualification packaging rules requiring each Training Package qualification to be linked to a 'distinct occupational outcome'¹⁰), limits the potential of VET qualifications to prepare learners for new and emerging roles and for further learning in new areas¹¹. The current definition (again in conjunction with current Training Package qualification packaging rules) may also be seen as limiting the capacity of VET qualifications to meet the needs of those learners who do not have access to a workplace, (an issue explored more fully in the next section).

It may be that these two broad positions are reconcilable through an approach which seeks to supplement, rather than replace, the current definition of competency. Within the context of a discussion of the changing work context within which Training Packages operate - including changing employment patterns, more agile, adaptable, and less hierarchical organisational structures, the High Level Review of Training Packages (2004) concluded that the current competency model needs to be retained (rather than replaced), but supplemented:

Job and occupational competence which underpins the Training Package model will remain relevant in the immediate future. But the current emphasis on technical skills needs to be supplemented (but not replaced) by a greater emphasis on both cognitive and behavioural skills in response to changing employer expectations and the growing demand for 'knowledge workers'.¹²

⁸ OECD, *The Knowledge Based Economy*, 1996, <<http://www.oecd.org/dataoecd/51/8/1913021.pdf>>

⁹ NCVET, *Competence and competency based training: What the literature says* <<http://www.nqc.tvetaustralia.com.au>>

¹⁰ DEEWR, *Training Package Development Handbook*, <<http://www.tpdh.deewr.gov.au>>

¹¹ DEEWR, *Training Package Development Handbook*, <<http://www.tpdh.deewr.gov.au>>

¹² Australian National Training Authority, *Moving On, Report of the High Level Review of Training Packages* (2004), p.9

An approach which seeks to supplement rather than replace the current definition of competency might present a way of retaining the perceived strength of the current definition - the capacity to specify workplace performance based standards - whilst removing perceived limitations imposed by the requirement for specifications of competency to relate only to workplace performance.

4.2 VET qualifications

The AQTF defines VET qualifications as:

*the formal certification in the VET sector by an RTO that a person has satisfied all requirements of the units of competency or modules that comprise an AQF qualification, as specified by: (a) a nationally endorsed Training Package; or (b) an accredited course that provides training for that qualification.*¹³

Under the terms of the AQTF, courses cannot be accredited if they duplicate, by title or coverage, the outcomes of a national VET qualification from an endorsed Training Package.

Qualifications specified by either National Training Packages or accredited courses must meet the requirements of the Australian Qualifications Framework (AQF). VET qualifications cover Certificates I-IV, Diplomas, Advanced Diplomas, Vocational Graduate Certificates and Vocational Graduate Diplomas. The AQF guidelines summarise the features of VET qualifications as follows:

*In the vocational education and training sector, qualifications are based on nationally endorsed competency standards where they exist or on competency standards developed by relevant industry, enterprise, community or professional groups. The qualifications certify achievement of learning outcomes generally identified as sets of competencies for levels of workplace performance reflected in the characteristics and distinguishing features of each qualification. The focus in the vocational education and training sector is on the capacity to directly assess the performance criteria in the competencies specified within the Training Package or accredited course.*¹⁴

While the AQF itself has no formal levels, VET qualifications within the AQF reflect a hierarchy of levels of increasing complexity of knowledge, skills and application, directly relevant to workplace roles and functions.

The *Training Package Development Handbook* stipulates that, in relation to the packaging and aligning of Training Package qualifications with the AQF:

- Training Package developers must ensure each AQF qualification has a distinct occupational outcome.
- in aligning qualifications, Training Package developers must identify or verify the alignment against the AQF key work characteristic areas.
- because of the nature or specialisation of some qualifications Training Package developers should clearly identify entry requirements where it is necessary for candidates to bring with them prior knowledge, skills and experience.
- Training Package developers must consider language, literacy and numeracy requirements when packaging units of competency and aligning qualifications to the AQF.

¹³ Commonwealth of Australia, *AQTF 2007 Users' Guide to the Standards for Accredited Courses*. <http://www.training.com.au/documents/aqtf2k7_user_accrediting_courses.pdf>

¹⁴ Australian Qualifications Framework (AQF) Advisory Board, *Australian Qualifications Framework: implementation handbook*, 2007, <<http://www.aqf.edu.au/pdf/handbook07.pdf>>

- Training Package developers must ensure that, when grouping units of competency:
 - units are grouped and packaged into meaningful workplace combinations reflecting complete and recognisable job roles
 - combinations of units are flexible to enable qualifications to be used by a diverse range of small, medium and large enterprises.

As noted previously, there is a perception from some stakeholders that the current requirements around Training Package qualification packaging and alignment are insufficiently flexible to support qualifications which meet the diversity of industry and learner needs. For example, the tight linkage between qualifications and occupational outcomes may be seen as a barrier to the development of qualifications which meet the needs of industries, industry sectors and enterprises characterised by high levels of change and innovation; and as a barrier to the development of qualifications which meet the needs of learners who may not have yet identified distinct occupational goals.

The AQF qualification descriptors themselves are perceived by some as presenting barriers to the development of VET qualifications which meet the diverse needs of industry and all VET learner groups, particularly learners seeking pathways between VET and Higher Education (HE). As noted in the final report from the national study into articulation between VET and HE, *Giving Credit Where Credit is Due (2006)*:

*While providing an overarching framework for all qualifications, the AQF recognises and accepts the differences in qualifications in each sector. However, this has also meant the descriptors for qualifications reinforce these differences by using a different taxonomy to define knowledge, skills, level of autonomy of learners and work-related outcomes for students. If the language for defining the descriptors of qualifications was based on a common conceptual model or taxonomy, this could facilitate understanding of the relationships between qualifications and credit transfer pathways. Such a conceptual framework could be developed in a way that does not diminish the capacity for each sector to adopt its own educational approaches to meet the needs of its clients.*¹⁵

4.2.1 Meeting the needs of diverse learner groups

As noted above, 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 above in Section 3.

For example:

- Students preparing for entry to the workforce and for further learning and returning to study may not be in the workforce and have limited capacity to acquire and have competence assessed;
- Many international students may not be employed, aren’t allowed to work or don’t have access to work placement;
- Many VET learners in work are not employed in occupations relevant to their areas of training;

¹⁵ PhillipsKPA, *Giving Credit Where Credit is Due, A National Study to Improve Outcomes in Credit Transfer and Articulation from Vocational Education to Higher Education*, Department of Education, Science and Training, 2006

- 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.

A range of options have been identified to address such challenges including the development of 'preparatory' or 'enabling' qualifications (which are explicitly aimed at preparing learners to enter or return to the workforce and not at full workplace competence) and 'pathways qualifications' (designed for learners undertaking VET qualifications for the purposes of articulating to higher education). Arguably, however, without changes to the definition of competence and the Training Package qualification packaging rules, such qualifications cannot legitimately be included within Training Packages, but would need to sit outside in some kind of separate framework.

Whilst some support the notion of a separate framework for such courses, others are concerned that such an approach could lead to confusion about the outcomes from all VET qualifications - with potentially damaging effects for their credibility. Others are concerned that the establishment of an alternative organising framework for such courses outside Training Packages may result in a two tier VET qualification system - one competency and work related, the other provider based and delivered and assessed through other means - with possible inequities in the outcomes for learners.

Another option (which may require a broadening of the definition of competency and/or the current packaging rules for Training Package qualifications), is to allow for the inclusion in Training Packages of 'knowledge and preparatory units' to be undertaken by learners not able to access work based learning (with full qualifications to be issued on completion of units requiring workplace outcomes) and pathways qualifications, providing pre-requisite knowledge and study skills required for further study particularly for entry to higher education.

4.2.2 Meeting the needs of diverse enterprises

Training provider peak bodies and some individual RTOs have argued that the diverse and changing needs of enterprises often cannot be met by predefined national qualifications. They see a need for far more flexible packaging rules for Training Package qualifications and/or for the capacity for RTOs to develop and accredit courses relevant to their market needs. They also argue that the Training Package development and endorsement and continuous improvement process sometimes lags leading edge industry practice and that a capacity for more flexible responses is required.

One option to address this issue could be to have all units of competency endorsed by the National Quality Council in order to form a consolidated and comprehensive 'bank of units' that would be available across all industries. Industry Skills Councils could select units of competency from the bank of units to develop qualifications and skill sets that meet the needs of particular industry sectors or employers. Other developers could equally select units of competency from the bank of units to develop courses that meet the local needs of a clearly identified client group and have them accredited through Registering and Course Accrediting Bodies (RCABs). This would also allow for qualifications for individual industry sectors and licensing/regulatory/industrial requirements to continue to be specified and remain central to the system, both nationally and at a state level where applicable.

Other stakeholders argue that these needs can, in most cases, be met if the Training Package rules are interpreted and implemented correctly and that perceived inflexibilities often arise due to funding and administrative requirements in training systems rather than the Training packages themselves. These stakeholders highlight the capacity for a proliferation of state and provider accredited courses to undermine the system of national recognition.

4.3 Structure and content of Training Packages

Previous NQC work and consultations have highlighted some 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).

One option is to simplify units of competence by separating out performance requirements as statements of required industry outcomes from the substantial information and guidance to RTOs in relation to assessment. There are risks associated with this option, however, and it may require alternative mechanisms to ensure all RTOs have access to consistent assessment guidance.

Many stakeholders also argue that the term 'Training Packages' should be discontinued as it implies that the Packages themselves are resources for delivery and assessment rather than what they were intended to be - a specification of required industry outcomes.

4.4 Credit systems

The extent to which current arrangements for recognition of current competence are effective has also been the subject of considerable debate in Australia in recent years.

The *National Guidelines on Cross-Sector Qualification Linkages*¹⁶ set out broad guidelines for articulation and credit transfer between the sectors and the Training Package Development Handbook requires that:

*In determining packaging rules [for Training Package qualifications], developers should attempt to optimise opportunities for credit transfer arrangements between VET and higher education qualifications where applicable, while also meeting industry needs*¹⁷.

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.

¹⁶ Australian Qualifications Framework (AQF) Advisory Board, *Australian Qualifications Framework Implementation Handbook*

¹⁷ DEEWR, *Training Package Development Handbook*,
<http://www.tpdh.deewr.gov.au/qualifications_framework/policy_qualifications.htm#Credit_Transfer_and_Articulation

The European Union Credit Transfer and Accumulation System is defined in the following terms as:

Course descriptions contain learning outcomes (what students are expected to know, understand and be able to do) and workload (the time students typically need to achieve the learning outcomes), expressed in terms of credits. In most cases, student workload ranges from 1,500 to 1,800 hours for an academic year, and one credit corresponds to 25-30 hours of work¹⁸.

These are also the key features of the Victorian Qualifications Navigator (formerly Credit Matrix). The Review of Australian Higher Education has also raised the potential benefit of a Credit Framework in terms of future reforms to the AQF.

Advocates of credit frameworks argue that they provide a transparent and consistent basis for credit transfer (or accumulation), provide greater rigour and consistency in the development and alignments of units (or modules) and qualifications and provide a common currency across the education and training sectors, empowering individuals to seek and receive credit far more effectively than current arrangements.

Critics of credit frameworks argue that they are both complex and expensive to implement and administer, that there is insufficient evidence that benefits outweigh costs and that credit points are of limited value in many qualifications where pre-requisites are required, particularly in technical and occupational areas. They also see the introduction of volume measures as antithetical to competency based training.

Others, while not supporting full credit frameworks, do support the need for more consistent and coherent level descriptors in the AQF and also support a greater focus on volume and effort to provide greater consistency in the size of units of competence and the length of qualifications. Those in this group cite substantial variations on completion times for the same qualification between different RTOs.

5. Strengths and weaknesses of current system

The following provides a summary of the key strengths and weaknesses of the current policy settings around the definition of competence, VET qualifications and Training Packages as reported in the initial consultation phase of the project¹⁹.

Strengths

- Current approaches to competence relate clearly to workplace and job roles, which are understood by industry, and can be defined and assessed in a consistent and non subjective manner;
- Directly aligning competency standards and qualifications through National Training Packages facilitates national recognition, national consistency, and portability and ensures that competency standards and the means by which they are delivered meet industry requirements if effectively implemented;
- The current process for developing and endorsing National Training Packages ensures that there is broad consultation with both industry and providers and the

¹⁸ *European Credit Transfer and Accumulation System (ECTS)*,
<http://ec.europa.eu/education/lifelong-learning-policy/doc48_en.htm>

¹⁹ This summary does not cover issues related to the design of Training Packages and technical issues such as alignment, packaging, etc.

endorsement process ensures that outcomes are accepted across Australia and also internationally; and

- Diverse learner needs can be accommodated within National Training Packages with effective delivery and assessment, recognising that are many units under any competency model which can only be effectively assessed in a workplace context.

Weaknesses

- Current approaches to defining competency, focus mainly on tasks and roles related to occupational competence and are not sufficient in building foundation skills and the broader personal competencies required to achieve the COAG outcomes;
- Directly aligning and mandating units of competence, and qualifications through National Training Packages limits provider responsiveness and flexibility;
- The current National Training Package development and endorsement process is too lengthy and cumbersome to address changing needs and may not address the needs of some individual enterprises;
- National Training Package qualifications are most relevant to learners in work-based learning pathways and are less appropriate to other VET learners, questioning whether competence can be consistently and reliably assessed across learner groups and learning pathways; and
- National Training Package requirements and possibilities are not fully understood and consistently interpreted.

6. Consultation questions and options

The purpose of the consultation is to explore a series of questions and related options in order to develop a policy framework which is flexible and responsive enough to enable 'fit for purpose' implementation rather than a 'one size fits all' approach, whilst ensuring the provision of appropriate guidelines/rules to provide maximum credibility and consistency. The approach needs to address the needs of employers, industry sectors, regulatory, licensing and industrial requirements that are currently addressed as well as those of diverse learners needing to navigate pathways in an industry led system.

The following consultation questions and possible options have been developed to guide feedback and responses to the issues raised in this paper; however, respondents may wish to also identify other issues and options relevant to the purpose of the project.

NOTE

The possible options provided below are NOT mutually exclusive. It may be that the policy framework incorporates features within and across these options.

6.1 The definition and development of competence

Questions

- Q1. Should the current definition of competence be retained?
- Q2. Could the existing definition of competency be supplemented to present a way of retaining the perceived strength of the current definition - the capacity to specify workplace performance based standards - whilst removing perceived limitations imposed by the requirement for specifications of competency to relate only to workplace performance?
- Q3. Should the current definition with a focus on occupational competence be broadened to include other elements of competence; in particular those relating to foundation skills, personal attributes and capabilities and ongoing cognitive development?
- Q4. If change is supported could outcomes be specified and assessed on a consistent and reliable basis in a way that doesn't make it more difficult for learners to attain qualifications?
- Q5. If the current occupational approach is retained does it need to be strengthened to ensure the COAG outcomes are achieved?

Possible Options

- C1. Retain the current definition of competence
- C2. Supplement and clarify the current definition of competence to remove perceived limitations on the requirements for workplace performance
- C3. Broaden the current definition whilst retaining the capacity for VET qualifications based on workplace performance standards

6.2 VET qualifications

Questions

- Q6. Is there a need to make explicit a provision for knowledge based and preparatory units to support life-long learning, the human capital agenda and changing labour market demands?
- Q7. Would specifying the required contexts for assessment provide better transparency of outcomes to employers and improved access for diverse learners? If so, should this be done at the unit of competence or qualification level? If not, should there be a means of making the assessment context explicit?
- Q8. Should the packaging of units in National Training Packages be made more flexible to enable more diverse qualifications to be created? If so, would the endorsement of a national bank of units of competency which can be utilised for packaging at a local level, together with specific nationally endorsed qualifications for industry/regulatory/licensing/industrial requirements provide greater flexibility to meet the needs of industry, individuals and employers? If not, are current guidelines in relation to accredited courses appropriate in terms of the capacity of RTOs to meet the needs of diverse learners and enterprises having regard to national recognition?
- Q9. Should more diverse sorts of qualifications be created to reflect the learning pathways and needs of diverse learner groups engaged in VET and to meet differing enterprise needs? If so, what types of qualifications need to be developed and what outcomes should they seek to achieve? If not, can outcomes be better assessed in a consistent and reliable basis across different learning pathways?
- Q10. If assessment requirements are tightened in terms of workplace requirements, what learning options should be made available to learners not able to access work-based learning opportunities?
- Q.11. Is there a need for changes to the AQF in order to ensure VET qualifications meet the needs of all VET clients? If so, what kinds of changes would be useful?

Possible Options

- VQ1. Retain Training Packages as the single organising framework for all VET qualifications
- VQ2. Include the provision of identified knowledge and preparatory units of competence for use in VET qualifications
- VQ3. Specify the required contexts for assessment at the unit of competency or qualification level
- VQ4. Develop a separate organising framework for VET preparatory/enabling/pathways qualifications
- VQ5. Endorse a national bank of units of competency with flexible packaging guidelines/rules for developing and accrediting qualifications at a state/local level, together with national endorsement of specific qualifications which meet the needs of industry, regulatory/licensing and industrial requirements

6.3 Training Packages - structure and content

Questions

- Q12. What issues relating to the structure and content of Training Packages appear to be impacting on the interpretation and implementation of National Training Packages and how might these issues be addressed?
- Q13. Should there be more meaningful and relevant guidance on assessment requirements in units of competence, in particular specifying those units where direct workplace experience and demonstration of competence is required and other units where other assessment methodologies may be employed?
- Q14. Should the structure of National Training Packages be changed to allow for performance standards in units of competence to be separated from guidance and supporting information for RTOs?
- Q15. Should the term 'Training Packages' be changed? If so, to what?

Possible Options

- TP1. Retain the current structure and content of Training Packages
- TP2. Simplify the content of Training Packages while maintaining the quality of assessment by separating the performance standards in units of competence from guidance and supporting information for RTOs

6.4 Credit systems and recognition arrangements

Questions

- Q16. Could current arrangements for recognition and credit transfer in Australia be strengthened by including the development of a formal credit system using measures of volume and effort? If so, should it be done within a revised AQF, VET qualification or unit of competency level?

Possible Options

- CR1. Retain the status quo and not introduce a national credit system
- CR2. Investigate introducing a national credit system based on volume and effort of units of competency or at another level

Further information is available at:

www.nqc.tvetaustralia.com.au