

INDUSTRY SKILLS COUNCIL FORUM

# training packages



# [a story less told]

## introduction

Introduced as a concept in 1996, the first Training Packages were endorsed in 1997. Since that time, packages have been progressively developed with national qualifications and units of competency now covering in excess of 85% of the Australian workforce.



## contents

- **4** Industry in the driving seat
- **5** The hidden economic impact of training packages
- **7** Increasing workforce participation
- **8** Making industry more competitive
- **9** The latest skills
- **10** Commitment of industry
- **11** The backbone of Australian Apprenticeships
- **12** Labour mobility
- **13** Alignment to licensing and regulation
- **14** COAG agenda
- **15** A small investment for large returns

**The market within which Australian industry now competes is constantly evolving. Powerful new economies are emerging; cycles of change within industry sectors are more frequent and decisive; and there are growing calls for Australia to broaden its economic base and place less reliance on individual sectors.**

**The skills needed to respond to this environment are well captured within industry's Training Packages, but as the national standards for workplace performance, they must continue to evolve if they are to identify and anticipate the skill needs of each industry, enterprise and the individual.**

## 10 years on

How quickly and how extensively industry has already engaged with Training Packages is not well publicised or even understood – the tendency being to make that judgement based on the amount of publicly funded delivery hours, enrolments and learner completions. In 2006 alone, 950,000+ publicly funded students were studying a Training Package qualification. The picture formed by such statistics is however, only part, and many would argue a very small part, of their impact. More often than not, the real economic impact of packages is most pronounced in ways not publicly recorded – enterprise or individual learner case studies the closest understanding we have to the nature and extent of their effect.

This document provides an insight into the many different ways industry now relies on Training Packages and their remarkable bearing on enterprise productivity, workforce participation and the economy more broadly.

It serves as a timely reminder that packages are now enshrined as part of industry's broader workforce development strategy in virtually all sectors and occupations. Above all, it makes clear that while the publicly funded system was the policy context for packages when first conceived, 10 years on it is but one dimension in which they operate. The contemporary policy setting for packages is now much broader and carries with it significant ramifications for industry, and consequently the economy, if that reality goes unrecognised.

## What they are ... and what they're not

Training Packages work on a simple yet fundamentally different premise to accredited courses. Despite the name, they do not prescribe how an individual should be trained. Rather, they specify the skills and knowledge an experienced person needs to perform effectively in the workplace – simply put, they prescribe the 'outcome' or competency. Industry establishes these units of competency. Teachers and trainers develop learning strategies—the 'how'—depending on learners' needs, abilities and circumstances.

Units of competency are grouped or 'packaged' into qualifications and supported by a third component, assessment guidelines, which spell out how a person is to be assessed against the competencies. These three components are endorsed by the National Quality Council, an overarching body representative of industry, government and training providers whose responsibility it is to oversee the quality of nationally recognised training delivery and its outcomes.

## Industry in the driving seat

Australia's 10 Industry Skills Councils (ISCs) are responsible for developing and continuously improving industry's Training Packages. Working directly with enterprises throughout Australia, they codify the skills and knowledge needed by the nation's workforce into units of competency and national qualifications. Strict quality criteria for endorsement of Training Packages have been established by the National Quality Council, and sees ISCs engage with regulators and licensing bodies, the system's training providers, industry associations, and international organisations to ensure Australia's workforce "stays ahead of the pack".

The ISCs' approach to continuously improving packages has doubled as one of the most influential but unrecognised workforce development strategies of recent times. Through strong industry involvement throughout the development process, employers now have an unprecedented understanding of the critical role skills development plays in productivity. Sectors which previously had no formal training are now deeply engaged and recognise the need to skill their workers, provide career pathways and the role Training Packages can play in workforce planning and productivity growth.

Since 1996, Training Packages, national qualifications and units of competency have been the agreed 'currency' for skills acquisition and entry to the workforce. Following that decision, rapid development of packages occurred within the industries which comprise the Australian economy and at their height, 73 Training Packages and 10 enterprise packages were in existence.

As industry's understanding of the importance of skills development

has grown, so has its understanding of the need to formally recognise where skills are portable between occupations and industries, and in doing so, address one of Australia's biggest challenges, labour mobility. Much work has been undertaken by ISCs and their industries to identify these synergies and where they exist, establish 'cross industry' units of competency and qualifications. The impact of this work is enabling individuals with national qualifications to move between industries as the economy evolves and into new sectors and occupations as they emerge. This level of convergence and the growing interrelationships between sectors and skills is reflected in the fact that 2007-8 will see significantly fewer packages, probably numbering in the fifties.

Qualifications within packages are experiencing a similar story. There are currently around 1300 qualifications ranging from Certificate I entry level pathways to Vocational Graduate Diplomas. Through clever design and in-built flexibility, their totality provides far greater coverage of the workforce than ever before and through significantly fewer qualifications than under the plethora of accredited courses. By way of comparison, the UK's 2006 *Leitch Review of Skills* noted Britain's 20,000+ qualifications as a continuing source of widespread duplication and confusion, going so far as to uphold the Australian structure of Industry Skills Councils as a preferred model for establishing industry's qualifications.

This is an impressive accolade and remarkable results for the relatively short time ISCs have been in existence, especially when taking into account the breadth of stakeholder consultation involved and agreement that ISCs need to broker across and within jurisdictions to achieve endorsement.

## Industry Skills Councils

In establishing the 10 Industry Skills Councils, the Australian Government sought independent, unbiased and future orientated advice on industry's skill needs. With coverage shaped to match the key industry groupings in the Australian economy, ISCs are driven by the skilling priorities of their respective industries and grass-roots intelligence gathered year round.

ISCs are not-for-profit companies established under the Corporations Act, funded by the Australian Government and governed by industry boards reflective of their coverage.

They are unique to the system in their singular role of creating a world class workforce and their enduring ability to represent industry irrespective of size, location and at all levels of the workforce. The Industry Skills Councils are:

- Agri-Food
- Community Services and Health
- Construction and Property Services
- ElectroComms and EnergyUtilities
- Government and Community Safety
- Innovation and Business
- Manufacturing
- Resources and Infrastructure
- Services
- Transport and Logistics

## The hidden economic impact of Training Packages

The training system has long struggled with the concept of ‘return on investment’ or the actual dollar benefit of injecting new skills into an enterprise or sector. Putting an economic value on Training Package outcomes is no less imprecise but an example of the difference made to just one organisation provides compelling evidence of their role in the nation’s productivity:

- Manufacturing Skills Australia is working with Boeing to develop a new aircraft manufacture qualification to support production of key components for the new generation Boeing 787 Dreamliner. Flow through benefits to the Australian economy from sales are estimated by Boeing to be in the order of \$2billion.

To grasp the true economic impact of Training Packages is to comprehend that as standards for workplace performance, they have multiple purposes within industry. These uses are rarely understood by the vocational, education and training system but the intrinsic role Training Packages play in all aspects of strategic workforce development cannot be overstated:

- The Transmission, Distribution and Rail Training Package enjoys 100% take-up by Australia’s energy companies including Western Power, ETSA, Ergon, Energex, Country Energy and NT Water and Power. The bulk of training is funded and delivered by the organisations themselves as private providers and remains unrecorded. Only a small percentage of its usage – apprenticeship training – is



recognised by the national data collections. Far more telling is that the industry uses the qualifications and competency standards as an intrinsic component of their performance management, legislative compliance, employee selection, risk management and workforce development planning.

- Current life expectancy of Aboriginal and Torres Strait Islander people is typically 17 years less than that of non-indigenous Australians. Those living in remote areas have 10-

20 times higher death rates from specific diseases, such as diabetes, cervical cancer, and infectious, parasitic and respiratory diseases. The inclusion of Aboriginal and Torres Strait Islander Health Worker qualifications in the Health Training Package is a key strategy of the *Aboriginal and Torres Strait Islander Health Workforce National Strategic Framework* and recognises that the Health Worker role sits at the forefront of preventative healthcare. With their cultural knowledge,

**The package is integral to our operations; it’s the basis for skilling our people but its much more than that. We’re a heavily regulated industry so it’s a fundamental component of our Risk Management Strategy. We’re also competing for a shrinking workforce so it’s used as a basis for succession planning and some fairly sophisticated recruitment and retention strategies. Ultimately it’s a key part of us being an ‘employer of choice’.**

Carl Thompson – Country Energy

**“Defence considers Training Packages and the national framework as strategic assets; anything that weakens their effectiveness also weakens Defence capability.”**

**Ken Jorgensen – Defence**

respect and skills, supported by Western and environmental health approaches, Health workers take a holistic approach to primary health care, involving immunisations, community health education, patient transport and interpretation. Across Australia, more than 1600 Aboriginal and Torres Strait Islander Health Workers are based in Aboriginal Community Controlled Health Services, mainstream hospitals or community health services. The 2006 – 2007 budget of the Department of Health and Ageing alone will contribute in excess \$375m to indigenous health.

- Northparkes Mine is considered leading practice within the industry and known for its operational excellence and innovation within the Rio Tinto Group. As a producer of high grade copper-gold concentrate, the Metalliferous Training Package represents the backbone of its workforce development. Since implementation of the Training Package based program – in partnership with the Skills Council and the Western Institute of TAFE – Northparkes has achieved ‘1000 days injury free’ while increasing its productivity from 88% to 95%.

Compounding an already inaccurate picture of Training Package uptake is the continuing growth and significance of private training providers, the activity of which has remained largely unrecognised by the national data collections. Although a significant player in the delivery of Training Package credentials, private training providers have not been required to report on commercial activity.

A large amount of Training Package delivery is also carried out by Enterprise Registered

Training Organisations such as the Commonwealth Bank, Woolworths and Customs – their difference to private providers being that training and assessment is not core business but nonetheless a crucial enabler to their operations. As with private training providers, there has been no requirement that they report on activity unless publicly funded. The significance of Training Packages to these organisations, and the magnitude of hidden activity, is well illustrated by the Australian Defence Force:

- Defence has four Registered Training Organisations which consider themselves ‘enterprise RTOs’. Between them they deliver 366 qualifications from 27 Training Packages. In 2005 alone, Defence issued over 16,700 qualifications – 59% of which were Certificate IV or higher – and over 14,800 Statements of Attainment. As with most enterprise RTOs, these outcomes are not included in the national figures. Over 5,000 people leave the Defence Forces annually. Typically, each will leave with at least two nationally recognised qualifications at the Certificate III level or higher.



## Increasing workforce participation

At the end of 2006, labour force participation stood at an all-time high of 64.8% and unemployment at 4.6%, its lowest rate for over three decades. Although strong indicators of a healthy economy, the inevitable correlation is a tight labour market where employers find it hard to attract skilled and even non-skilled workers. Economists and policy makers alike recognise that the issue is only set to worsen with 2011 pinpointed as the year that more people will be leaving rather than entering the workforce. By 2044 it's projected that Australia's workforce participation will have decreased to 56.3%.

Australia's future economic prosperity depends on its ability to offset this trend by providing opportunities for more of the population to engage in work, and at the same time, lifting the individual productivity levels of those within it. Increasing both participation and productivity is the overarching theme of the Council of Australian Government's (COAG) new National Reform Agenda. Training Packages are set to play a huge role in both arenas; they provide the technical skills and knowledge a person requires to enter the workforce for the first time, to re-enter the workforce, to retrain for a new job or to upgrade their skills for an existing job:

- Community Services and Health ISC's 'MAGIC' initiative continues to have remarkable success in changing the attitudes of employers' towards older workers and those in non traditional roles, such as men in childcare. The program places mature aged and non-traditional workers in the areas of aged care, children's services and youth work where on-going skill shortages impact

heavily on the industry. Based on the Training Package, the program gives employers the resources to recruit, train and retain these target groups and promotes much sought after qualities which these groups typically bring with them, such as life experience and tolerance. Initially piloted in the Hunter region of NSW in 2005, the MAGIC program was most recently coordinated by the Skills Council in the south-east region in Victoria, 94 candidates were successfully recruited to commence the training and matching process, with a total of 60 successful placements as at the end of April 2007.

- Innovation and Business Skills Australia has established skill sets and qualifications for small businesses and emerging entrepreneurs. Originally conceived to meet the needs of Indigenous people, the end products are inclusive of all cultural needs. The interagency initiative brought together Indigenous Business Australia; Department of Employment and Workplace Relations; Department of Education, Science and Training; Department of Family and Community Services and the Office of Indigenous Policy Coordination. The skills enable individuals to improve, develop and implement their ideas and practices, and turn them into sustainable businesses.
- The Transport and Logistics Industry Skills Council's 'Enterprising Youth Program' gives year 11 and 12 students entrepreneurial skills, valuable insights and knowledge of the Transport and Logistics Industry. Based on the extremely successful European "Virtual Enterprise" model, where school students set up and run a virtual e-business, it links to other virtual businesses on a global level. Established



across eight national locations and linking to units of competency and qualifications in the Transport and Logistics Training Package, students receive credit towards their school studies and a vocational qualification in preparation for a career in the industry.

- Certificate I qualifications are a growing feature in packages and for many industries, offer the most effective means of attracting potential employees. Typically they operate as cross-sectoral qualifications and expose the learner to the skills and working environment of a number of related industry sectors. Certificate I qualifications currently available include Agri-Food, Environmental Management, Transport and Logistics and Manufacturing. In the Resources and Infrastructure sectors, the Certificate I is being used as a key strategy to attract new entrants to the workforce, however, its versatility is also enabling the qualification to be used for rural and indigenous communities; VET in schools; site induction; and as a pre-employment program. The Certificate I is currently being piloted in 15 sites across Australia in partnership with companies such as BHP Billiton Mitsubishi Alliance, Rio Tinto and others.



## Making industry more competitive

In the 1980s, the Australian economy was opened to international competition - the dollar floated, financial markets deregulated and tariff barriers progressively dismantled. Such ambitious reform dramatically reshaped the economy; on one hand it exposed industry to an unprecedented level of competition, while on the other, provided new trading opportunities. Twenty years on, a new wave of competition is being experienced following emergence of powerful international economies such as China and India; competition that is only set to intensify.

Training Packages are already playing a critical role in establishing world class skills across the Australian workforce to raise productivity levels. The Competitive Manufacturing Training Package developed by Manufacturing Skills Australia ensures the skills needed for modern manufacturing practices

and principles are accessible to all Australian manufacturing enterprises. The Competitive Manufacturing Initiative, or CMI as its more commonly known, targets the skills and knowledge for:

- Agile Manufacturing
- Total Productive Maintenance
- Reliability Centred Maintenance
- Six sigma quality control techniques
- Supply chain/value chain management
- Supervisory Control And Data Acquisition systems

But establishing competitive industries isn't just about skills that improve productivity for the here and now. More and more commentators are pointing to an enterprise's ability to predict and plan its future skill needs as the key determinant of its ability to remain competitive.

In this context, and in an industry where productivity is directly tied to the availability of skilled labour, the Resources and Infrastructure ISC is leading a 'whole of industry'

approach to workforce planning and development based on its Training Packages:

- Piloted in the coal sector during 2006, the workforce planning and development tools enable enterprises to generate workforce projections for any work site or group of sites. They provide estimates of the number of people required, in different occupational categories, for a particular project over time. By inputting the volume of production and other parameters at particular points in time (such as shifts, plant productivity), companies can obtain an informed estimate of the required workforce. The tools can then be used to generate projections for the total industry in a region, state or Australia wide. Taking the projections to the next stage, the ISC has developed a series of Training Package implementation tools that enable a work site to translate its workforce planning data into the organisation's training needs.

## The latest skills

As industry’s nationally agreed profile of workforce skills, Training Packages are wholly reliant on accurate research and up to the minute intelligence on new and emerging skills and work organisation. While accessing research from recognised sources and industry groups, ISCs must also initiate their own targeted analysis and research to stay ahead of trends and validate anecdotal feedback:

- In commissioning the report ‘2020 Vision – The Manager of the 21st Century’, the Innovation and Business ISC sought to identify how the role of Australia’s senior managers is likely to change between now and 2020, and to identify the skills and attributes needed to respond to those changes. Key findings of the report are being built into packages through the continuous improvement process, starting with frontline management qualifications to enable leaders and managers from all industries

compete alongside the best in the world.

- As the first major piece of collaborative research across ISCs, the nationally acclaimed ‘Shared Technology’ report provided an unprecedented insight into the convergence of technologies across building and construction, engineering, electrical, electronics, information technology, automotive and telecommunications. Led by the ElectroComms and EnergyUtilities ISC, recommendations have been picked up across ISCs and reflected in Training Packages. A further joint report ‘Shared Technology 2’, has spelt out how the training system needs to respond to the rapid adoption of such technologies across industries.

Inclusion of new skills and emerging occupations in packages is vital to ensure relevance to leading edge companies. At the same time, their inclusion builds the skills of all Australia’s companies and their workforce to an internationally competitive standard.

- George Chin OAM and former president of Chubb Asia, confirmed that international benchmarking and consultation by the Construction and Property Services ISC has ensured new units in biometrics “will ensure that Australia is at the cutting edge of Biometrics technology.” Fundamental to the country’s national security, biometrics is the automated measuring of one or more physical characteristics or behavioural traits of a person such as a fingerprint or face, its ultimate purpose being to distinguish one person exclusively from all others. Increasingly used in airport screening and by customs, it enables ease of physical and technological access without compromising security. With its use already being extended to hospitals, its also being seen in up-market hotels, gyms and secure areas within business operations. Extensive interest from America and Asia continues to be generated in this work.
- The Emergency Animal Disease (EAD) Response Agreement is a world first and significantly increases Australia’s capacity to prepare for and respond to emergency animal disease incursions. The Agreement brings together the Commonwealth, State and Territory governments and livestock industry groups and provides an innovative means of combating emergency animal diseases. Its measures are aimed at preventing large scale epidemic and serious loss of market access. Gross value of production of the industries concerned is estimated at \$11billion+ over a three year period. Training is recognised as essential to the effectiveness of the agreement and preparedness of those involved. The required skills will be incorporated into the



suite of packages managed by the AgriFood ISC.

- Organic certification skills included in the Rural Training Package are giving industry access to skills across the complete supply chain for the industry. Further skills development for the food processing industry will shore up the organic sector's growing turnover. Currently worth around \$330million per year, a quarter of production is already being exported. With an expected growth of up to 60% the sector is providing strong opportunities for micro and small businesses throughout Australia.
- Higher level skills and qualifications are an increasing feature of Training Packages and the introduction of Vocational Graduate Certificates and Graduate Diplomas is extending the relevance of vocational skills to even more of the workforce. New Vocational Graduate level qualifications in the areas of Family Counselling, Family Dispute Resolution and Children's Contact Services have been developed for addition to the Community Services Training Package. The qualifications describe functions currently performed by Barristers, Lawyers, Psychologists and other university trained professions as well as by vocationally trained workers. The Business Services Training Package will see the introduction of higher level qualifications in the fields of Organisational Learning and Capability Development for people working in enterprise training and workforce development roles.
- A benefit less appreciated – but intrinsic to sustained economic growth – is that skills for new sectors and the strengthening of

skills in existing industries, is key to ensuring Australia establishes a broad economic base and reduces its reliance on single sectors. For example, the resources boom has provided an unprecedented level of productivity for the economies of Queensland and Western Australia, with benefits continuing to flow through to the national economy. While analysts suggest this same level of activity will continue over the next four to five years, those same commentators warn that the growing self-sufficiency of key resource consumers such as China, give rise to much caution in planning the shape of Australia's economic base. Packages and related activities provide the mechanism to establish the skills for that broader base and a sustainable world class economy.

### New skills in training packages include:

- Biometrics
- Energy Efficiency and Sustainability
- Emergency Disease Response
- Organic and Genetically Modified Foods
- Flight Instruction
- Combat Arms
- Digital Forensics
- Innovation
- Radio Frequency Identification Technology
- Personal Injury Management

### Newly covered occupations include:

- Enrolled/Division 2 Nurses
- Food Safety Auditors
- Gas Pipeline Operators
- Air Transport Pilots
- Helicopter Pilots
- Education Support Staff

## Commitment of industry

Looking back some 15 years, it would be fair to say that vocational education and training did not enjoy a strong status within industry or the broader community. Often seen as a poor relation to tertiary education, it was typified by courses developed by training providers in isolation from industry. Unsurprisingly, inconsistent outcomes between providers and jurisdictions led to Australia's workforce being trained to varying, often unsatisfactory standards.

The last decade has seen remarkable progress culminating in the establishment of a national industry-led system. Training Packages are the very embodiment of that system; derived by industry for industry, they represent an unprecedented capacity to influence the quality and outcomes of the training system. Their growing importance within all elements of workforce planning and development, productivity, regulation and risk management has ensured that industry's initial commitment to the concept and first iteration of Training Packages has only continued to grow and to remarkable effect:

- The Health Training Package draft qualifications framework was downloaded 31,000+ times during review consultations held between February and May 2006. The Community Services Training Package currently under review has seen its initial discussion paper downloaded by over 41,000 users. Impressive numbers, but the results even more so with this level of consultation responsible for reformed industry arrangements such as Enrolled/Division 2 Nurses transferring from individual state/territory accredited course systems to the Health Training Package for the first time.

- The Correctional Services Training Package boasts 100% take up across Australia. Implemented by every relevant State and Territory authority and contracted private service provider, it sets the standards required for the supervision and management of offenders and detainees in the Australian criminal justice system. The competencies are now being used for staff working in Immigration Detention Centres and in situations where people are detained under a range of statutory regulations such as court custody, customs, border protection and Australian Defence Force detention.
- Qantas, the largest stakeholder in the aviation industry in Australia, will no longer be using its Enterprise Training Package as the basis for training and assessing its workforce. Consultation and negotiations with Industry Skills Councils will now see Qantas using the Aviation Training Package as its key strategy for workforce development from 2007 onwards.

## The backbone of Australian Apprenticeships

Training Packages continue to be the backbone of Australian Apprenticeships. As at 30 September 2006, there were over 400,000 Australian Apprentices in training with 89% studying to Certificate III or higher. The twelve months to September 2006 saw nearly 265,000 commencements, 98% of which were based on Training Package qualifications.

Packages have also had remarkable success in establishing Australian Apprenticeships in occupations outside of 'traditional apprenticeships' and their introduction to schools. In 2006, apprentices and trainees in non-traditional areas numbered over 200,000; in the same period, nearly 16,000 students commenced a school-based Australian Apprenticeship as their chosen pathway into the workforce.

Importantly, the flexibility of Training Packages is enabling new approaches to the apprenticeship concept in a number of industries:

- The *Combined Traineeship* model recognises that service sectors in rural and regional Australia

often find it hard to commit to a trainee due to seasonal peaks and troughs of business; and can be exacerbated if it's a small business where employees need to operate across different job roles. The new model, successfully developed and piloted by Service Skills Australia, combines two part-time traineeships chosen from the Retail, Tourism or Hospitality Training Packages. Trainees gain two complementary qualifications, for example, guiding and retail or hospitality and tourism, depending on their industry's business cycle and breadth of operations. Piloted in the Northern Territory township of Katherine, the model is now being rolled out across the jurisdictions commencing with WA and NSW.

- The *Technology Cadetship* is a new approach to employment based training to match the modern face of manufacturing. Designed by Manufacturing Skills Australia in collaboration with industry, cadetships provide pathways into technology based occupations and at higher skills levels than has been the typical focus of Australian Apprenticeships. Commencing in 2006, the Cadetships have already established themselves as a contemporary and attractive approach to securing high quality candidates that might otherwise have headed towards tertiary education. Qualifications range from Certificate III through to Advanced Diploma in the areas of CAD/Drafting, Manufacturing Operations, Laboratory Operations, Sustainability, Polymer Technology and Metallurgy.

The capacity of Training Packages to supply new and innovative models for employment based training is only limited by the flexibility of the publicly funded system.





## Labour mobility

Labour mobility is quite simply a reality and necessity of a global economy. With the working population traversing industries and geographic borders, the ease and speed with which workers can move relies heavily on real portability of skills and formal recognition arrangements.

Prior to formation of the Skills Councils, 28 separate industry advisory bodies developed Training Packages, creating unintentional but significant barriers to the recognition of common skills across jobs and sectors. With coverage to mirror the key industry groupings in the Australian economy, the 10 ISCs have eliminated any artificial 'silos' and succeeded in opening up an unprecedented level of cross-industry cooperation on skills development:

- Government and Community Safety, together with Community Services and Health, have developed cross-industry public safety qualifications for inclusion in the Health Training Package;
- A single set of first aid competency standards is now available in the Health Training Package

for importation by all relevant packages to improve the quality and portability of First Aid skills, and eliminate duplication created by accredited courses;

- A single Property Training Package is set to replace the three previous packages of Asset Security, Asset Maintenance and Property Development and Management, and in doing so reflect contemporary career pathways and common skills across the sectors.

Recognising common skills across industries as a means of enhancing mobility is one part of the picture. Labour shortages have also seen a number of industries place an urgent need on the formal recognition of overseas skills to both expedite the process of bringing labour into Australia and to assure employers of the quality of skills being brought into the country in comparison to the national qualifications:

- The Services ISC has been working in this area since it commenced operations and has achieved qualification mapping and alignment with six other countries in the personal services sectors, and with enquiries to expand the work

into the Hospitality, Retail, Sport and Recreation industries. The Skills Council has worked with the qualification authorities from South Africa, South Korea, United Kingdom, Canada, USA and New Zealand;

- The ElectroComms and EnergyUtilities ISC has developed new Hazardous Areas Standards in concert with Standards Australia, New Zealand Standards, and the New Zealand Electrotechnology Industry Training Organisation;
- Working in conjunction with a consortium of New Zealand Industry Training Organisations, Manufacturing Skills Australia has succeeded in getting the Competitive Manufacturing qualifications listed on the New Zealand qualifications register.

With off-shore/ on-shore assessment centres and overseas recognition set to play an increasingly important role in the supply of labour, its high costs can be significantly reduced by this formative work; assessments of individuals being more readily able to focus on the gaps or specific licensing or regulation requirements and more efficiently processed.

## Alignment to licensing and regulation

Licensing and regulatory requirements are pivotal to many jobs and sectors in the economy. Although these environments are complex and often sensitive, the skills and knowledge required for compliance, or to obtain the relevant licence, are being built into Training Package qualifications and units of competency as a key function of ISCs:

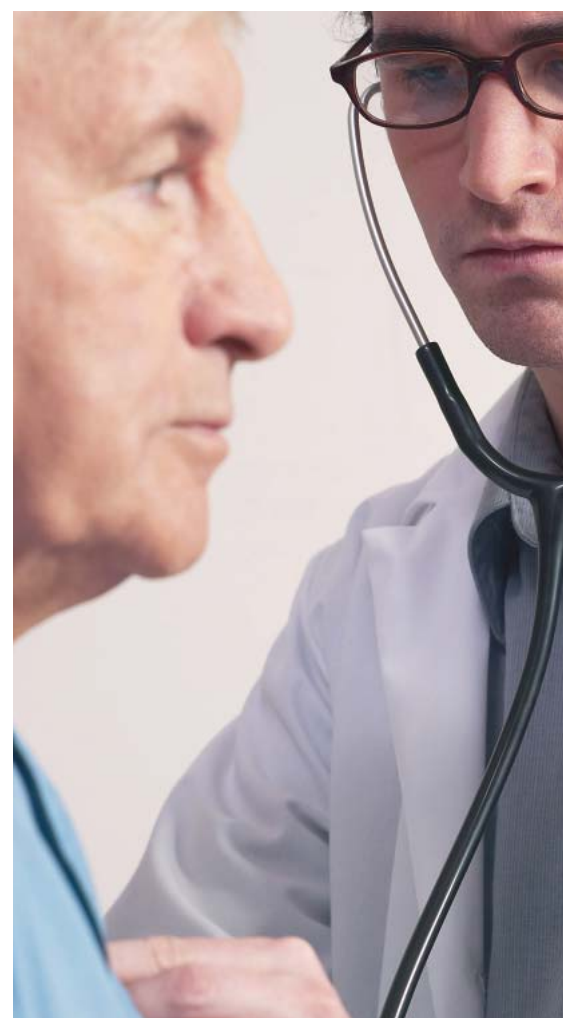
- The Aeroskills Training Package has been aligned to work by the Civil Aviation Safety Authority which has adapted the European Aviation Safety Agency licensing system to the Australian environment; the new package now gives aircraft workers the opportunity to be trained and recognised against global licensing arrangements for specific aircraft types;
- The Construction and Property ISC has worked with licensing bodies in each of the jurisdictions to establish Certificate IV in Building and Construction as the benchmark requirement for a Builder's Licence in each of the jurisdictions;
- Work with the National Refrigeration and Air-conditioning Council, enterprises and TAFE has established competency standards to meet new licensing arrangements and compliance with the Ozone Protection and Synthetic Greenhouse Gas Management Act;
- The new Maritime Training Package provides industry with access to qualifications and competencies aligned to the current Australian Maritime Safety Authority regulations

- The Health Training Package includes qualifications for licensed occupations including Dental Prosthetics, Dental Technology and, for the first time in 2007, Enrolled/Division 2 Nursing. The Training Package qualifications will play a key role in implementation of the COAG decision to replace state and territory occupational licensing with national accreditation and registration for health professions including Nursing and Dental areas;
- The Financial Services Reform Act sets out the minimal training requirements for people providing financial advice to retail clients. The Financial Services Training Package embeds these requirements within a series of 'ASIC advisory units' and meets the needs of over 157,000 companies registered with the Commission to provide services in this area;
- All cabling work in the telecommunications, fire, security and data industries must be performed by a registered cabler. The Australian Communications and Media Authority sets the registration requirements for those operating in the industry and the Telecommunications Training Package contains specific units of competency to meet ACMA's open and restricted cabling specifications.

Just how units of competency are used and integrated within the business environment and benefited from by the broader community are no better illustrated than with the example of food safety:

- Every food business in Victoria is required to have a Food Safety Supervisor in accordance with

the Food Safety Act 1984. An estimated 40,000 food businesses are required to comply and while the requirement routinely applies to food manufacturers, retailers, hotels and restaurants, organisations such as childcare centres, hospitals, hostels and warehouses must also comply. All supervisors are required to hold a Statement of Attainment for the food safety unit(s) from the Training Package applicable to their sector for example, Food Processing, Tourism and Hospitality or Health Training Packages.



## COAG agenda

At its February 2006 meeting, COAG launched a new wave of collaborative reform aimed at ensuring Australia's future prosperity. The National Reform Agenda hinges on increasing the nation's productivity and workforce participation and involves a broad set of measures in which Skills Councils and Training Packages are playing a critical role:

- Some of the most pronounced skill shortages have and continue to impact on the residential building industry. The Construction and Property Industry Skills Council was tasked by COAG with responding to the emerging skill requirements and changing work organisation of the sector with a primary aim of establishing intermediate qualifications that better reflect work organisation

within the industry. Six specialist qualifications have now been developed in areas such as steel fixing, stone masonry and concreting, to offer more flexible pathways into work roles and trades with ongoing skill shortages.

- New measures to enable people with trade qualifications to move more freely around Australia without undergoing additional testing and registration processes have also been a key activity for ISCs. Licensing of many key occupations has been notoriously inconsistent between jurisdictions; in some instances the same job can have differing requirements for a license depending upon the jurisdiction, in its extreme the same occupation can require a license in one state but not in another.

Under COAG's directive, full mutual recognition has been established for

a number of priority occupations experiencing skill shortages, namely:

- electricians
- electrical fitters, lineworkers, and cable joiners
- tradespeople with restricted electrical licences
- plumbers and gas-fitters
- carpenters and joiners, bricklayers, and builders
- refrigeration and air-conditioning mechanics
- auto-gas installers

Work to put in place these arrangements has involved governments, unions and employers with ISCs undertaking much of the mapping across jurisdictions and building in the required skills and knowledge into the relevant Training Packages. Mutual recognition arrangements for all licensed occupations will be in place by December 2008 and heralds much work for ISCs.



## A small investment for large returns

Industry Skills Councils have achieved what neither the tertiary nor the secondary education sectors have managed to do – the development of national standards. These standards are driven by industry and agreed across all jurisdictions, by all scales of business, and by representatives from all levels of the workforce. Critically, they are continuously improved by the ISCs to ensure the Australian workforce is trained to the levels needed by world class industry. The work is the foundation for the \$4billion recurrent funding of the VET system and a trillion dollar Australian economy.

ISCs represent a critical and unique structure, and one which continues to be much lauded by overseas delegations. But there are challenges. Their capacity to support enterprises and training providers implement Training Packages and give effect to a national strategy for recognition and delivery is largely untapped. An independent review of ISCs' performance in 2006, found that although few had been in existence for more than a couple of years 'ISCs have achieved considerable progress' and overall performance was 'consistently quite high'. The review flagged the concept of longer term funding agreements and ISCs concur that a longer term horizon is the only way to achieve sustainable change and build on the remarkable impact ISCs have had to date.



## ISC CONTACTS



AGRI-FOOD  
INDUSTRY SKILLS  
COUNCIL

**Agri-Food  
Industry Skills Council**  
Arthur Blewitt (CEO)  
Phone: (02) 6163 7200  
[www.agrifoodskills.net.au](http://www.agrifoodskills.net.au)



Industry Skills Council

**Community Services & Health  
Industry Skills Council**  
Di Lawson (CEO)  
Phone: (02) 9263 3589  
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Phone: (02) 6253 0002  
[www.cpsisc.com.au](http://www.cpsisc.com.au)



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Bob Taylor (CEO)  
Phone: (02) 6241 2155  
[www.ee-oz.com.au](http://www.ee-oz.com.au)



**Government and Community  
Safety Industry Skills Council**  
Bernard Meatheringham (CEO)  
Phone: (08) 8410 3455  
[www.governmentskills.com.au](http://www.governmentskills.com.au)



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Sharon Coates (CEO)  
Phone: (03) 9815 7000  
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Bob Paton (CEO)  
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Des Caulfield (CEO)  
Phone: (02) 9299 3014  
[www.riisc.com.au](http://www.riisc.com.au)



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**Service Skills Australia**  
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Phone: (02) 8243 1200  
[www.serviceskills.com.au](http://www.serviceskills.com.au)



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