National Agreement for Skills and Workforce Development Review

Productivity Commission Interim Report May 2020

16 July 2020

The Supply Chain Sustainability School welcomes the opportunity to comment on the National Agreement for Skills and Workforce Development Review Productivity Commission Interim Report May 2020 (the Interim Report).

The Supply Chain Sustainability School has several affiliated Partners and Members and the contents of this submission may not reflect the views of these organisations or any individual.

Please do not hesitate to contact the Supply Chain Sustainability School should you have any questions relating to this submission or the work of the Supply Chain Sustainability School.

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About the Supply Chain Sustainability School in Australia

http://www.supplychainschool.org.au/

The Supply Chain Sustainability School was launched across Australia in 2015 to increase sustainability knowledge and competency along the construction and infrastructure supply chains. To support small-to-medium businesses, the Supply Chain Sustainability School provides free e-learning, information and face-to-face training for construction and infrastructure suppliers, contractors and service providers. Companies signing up can access a wealth of free resources and tools to meet increasing sustainability demands and performance benchmarks, and to help build clever, collaborative and competitive construction and infrastructure sectors.

There are thousands of members who have registered for free to access the Supply Chain Sustainability School's learning resources. There are hundreds of different resources available including videos, case studies, documents to download, e-learning modules, links to various tools and initiatives, definitions and guides, with more added every month.

The Supply Chain Sustainability School is funded and supported by leading organisations. These Partners provide annual financial and in-kind contributions. At the time of this submission, our Partners are:

Mastering in-demand skills at scale

INFORMATION REQUEST — ROLE OF COMPETITION IN THE VET MARKET

- *What role should competition play in meeting users' needs, including the quantity, type and quality, and regional accessibility of VET services?*
- *How should the efficiency of the VET market be measured?*
- *Are additional consumer protection arrangements required to support a well-functioning VET market? What are the costs and benefits of different models of consumer protection established by governments, including ombudsmans' offices?*

The Supply Chain Sustainability School improves employment status and employer satisfaction, not through competition but collaboration.

The Supply Chain Sustainability School exists because the building and construction industry needed to upskill the supply chain quickly and efficiently to meet the beyond compliance targets and objectives of building and construction projects. Partners of the school chose to collaborate under and industry-funded not student-funded model, enabling free access to knowledge and eliminating the barriers for people and organisations to innovate and grow their businesses. In this business model, the school is a not-for-profit initiative receiving monetary and in-kind contributions from Partners to fund the development, maintenance and promotion of on-demand online resources and, when allowed to do so, face-to-face workshops. We deliver these resources to registered members at no cost. The governance systems of the school offer an effective grievance and remediation mechanism for Partners and Members. In our context consumers, our Partners, are multi-stakeholder teams that have specialist procurement and relationship management personnel to investigate, assess and monitor their return of investment.

Partner organisations collaborate to gain consistency and efficiency amongst all industry players. The topics chosen for development are based on the gaps and needs of Partner organisations; this focuses on resources creating efficiency and increases employer satisfaction as it directly addresses their needs. This also enables skill transfer both vertically and horizontally for participants. The Supply Chain Sustainability School partners with professional services suppliers, product and material suppliers, procurers, government and industry bodies to collate and create cross-functional training opportunities.

The Supply Chain Sustainability School offers micro and nano courses that enable professionals to develop a specific skill at the time they need that skill. The school also maintains a catalogue of reference resources accessible, when needed, in the future. The school's system of learning benefits industry by reducing noise, time lag and risk of knowledge becoming outdated (between the period of learning and use).

The Supply Chain Sustainability School does not offer certificate, diploma, degree, masters or doctorate programs. Universities and tertiary providers provide a comprehensive set of skills required to deliver a broad spectrum of services to the required standard. Professional associations and accreditation bodies focus on enabling

professionals to obtain accreditation and maintain continuing professional development within their chosen field. Typically they provide certified professional development (CPD) microlearning programs that are also vital revenue streams that assist in meeting for-purpose objectives. We partner with these organisations to ensure our content is compatible and at times a component of longer courses, recognising the importance of these providers within the industry.

Career mobility

INFORMATION REQUEST – CAREER GUIDANCE FOR STUDENTS

What changes could be made to ensure school students have appropriate career information and advice?

Career advisors work in a challenging time. Experts are predicting that "around 85% of the jobs that today's learners will be doing in 2030 haven't been invented yet."[1] In addition to this uncertainty, long gone is a time when Australians sought one career and a job-for-life. Nowadays it's closer to five careers and three jobs per decade[2]. The industry is also evolving at a rapid pace, often resulting in information that may be up to date pre-course becoming outdated during the years the course may run. This has placed additional pressure on education providers to justify the return on investment of longer courses that may be perceived as redundant the day you complete them.

The approach the Supply Chain Sustainability School takes de-risks investment in personal education by

- Providing free access to students
- Linking education to active in-demand requirements of employers
- Connecting students with industry experts

[1]https://www.delltechnologies.com/content/dam/delltechnologies/assets/perspectives/2030/pdf/SR1940_IFTFforDellTechnologies_Human-Machine_070517_readerhigh-res.pdf
[2] https://mccrindle.com.au/insights/blog/job-mobility-australia/

Option C

INTERIM RECOMMENDATION 2.2 — A NEW PRINCIPLES-BASED AGREEMENT

Australian, State and Territory governments should negotiate a new, principles-based intergovernmental agreement. Such an agreement should commit governments to developing an efficient, competitive market driven by the informed choices of students and employers. The agreement's principles should include:

- *centring policy on the consumer, including information provision for informed choice*
- *equitable access*
- *recognition of fiscal sustainability and the stability of funding*
- *transparency about where funding is allocated, including detailed information on course subsidies, costs and the size and nature of funding to public providers*
- *efficient pricing and delivery*
- *designing incentives to increase the likelihood of eliciting training*
- *competitive neutrality between public and private provision*
- *neutral, but not equivalent, treatment of the VET and higher education sectors.*

INFORMATION REQUEST — DESIGNING A NEW INTERGOVERNMENTAL AGREEMENT

If a new principles-based agreement was negotiated in line with interim recommendation 2.2:

- *how should it consider other educational sectors, informal training and non-government funded training?*
- *what other mechanisms to facilitate reform and improve accountability would best complement an agreement?*

INFORMATION REQUEST — IDENTIFYING AND ACTING ON SKILLS SHORTAGES

- *To what extent are skills forecasts based on future industry growth a useful and reliable basis for providing course subsidies?*

INFORMATION REQUEST — EVIDENCE ABOUT MENTORING AND PASTORAL SUPPORTS

- *How should pastoral and mentoring services be funded, delivered and designed, taking into account the continuity of funding, scale, and effectiveness in improving outcomes for students?*
- *What should be their priority target groups?*

"In Australia, employers are more than twice as likely to make use of unaccredited training (falling within the definition of non-formal training) as they are to use nationally recognised training (NCVER 2019c, table 5) and employers using unaccredited training are more satisfied with the training than employers using accredited training (NCVER 2019c, table 7)." Interim Report, page 58

The Interim Report considers funding via two primary channels.

a) Incentives for students, for example, student vouchers to use at the provider of choice, and
b) Incentives for Registered Training Organisations (RTOs).

Both channels are not accessible to the Supply Chain Sustainability School as we don't charge fees to students and are not an RTO. Therefore, we would like to see a third channel added.

c) Incentives to other educational sectors, non-formal training (workshops and training courses undertaken in the workforce) and non-VET/RTOs, via employers.

Option C could be used to hire training providers to deliver in-house courses, engage pastoral or mentoring services or pay fees to an organisation like Supply Chain Sustainability School that provides training to their workforce and their supply chain. It would give employers the flexibility to direct funding to where they see the most suitable organisation to deliver training on the topics they feel are needed. These incentives would not attempt to subsidise employer costs or encourage enrolments and completions like the Australian Apprenticeships Incentives Program (AAIP), nor would it be a form of direct financial payment. It would allow leading employers to direct funds to address immediate training needs in their industry where they would indirectly benefit from the increased productivity of their workforce and supply chain.

A single national regulatory body for RTOs, like ASQA, would benefit a nationwide online provider, like the Supply Chain Sustainability School. However, unless the barriers to micro (less than one day) and nano (less than 10 minutes) course providers are addressed, it cannot effectively regulate the quality of training providers beyond formal vocational education and training providers of short (less than one week) and long (months and years) courses. The Supply Chain Sustainability School has chosen not to become an RTO for several reasons that include:

- It is administratively intensive diverting time and money away from achieving learning objectives (common industry understanding that audit requirements are inconsistent and focus on minor issues that do no improve training quality).
- The requirement for trainers to complete Certificate IV in Training and Assessment is a barrier for experts to share their experience in a micro or nano course and the attainment of Certificate IV in Training and Assessment is not always seen to guarantee a good quality trainer.
- It decreases the efficiency and flexibility of micro and nano learning.
- It increases time delay from need-recognition to delivery.
- Cost of compliance.

Achievement based on outcomes, not time

INFORMATION REQUEST — PATHWAYS AND TRANSITIONS

The Commission seeks evidence on:

- *the extent to which time-consuming processes for credit and recognition of prior learning are a barrier to students applying for credit*

The Supply Chain Sustainability School adopts a new approach to learning that it has found to be effective in offering on-demand content to students of mixed pre-course qualification and inherent knowledge.

We do not follow the traditional approach that can be simplified as setting course requirements, require students to apply for recognition of prior learning, students complete the course, students are assessed, and then qualifications are awarded.

One of our recommended learning paths enables students to assess what they know upfront, learn the gap skills, reassess and progress to the next level. It has the benefits of

- not requiring students to spend time 'learning' what they already 'know' from previous formal and informal (learning on the job and from peers and supervisors) training, and
- prevents students who may have previously 'learned' but have no current 'knowledge' from progressing beyond their current ability.

ENDS