Skills Organisation pilots – digital technology

Summary report on industry workshop outcomes

Sydney 26 September

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Context

As part of the 2019-20 Federal Budget the Australian Government announced the Skills Package – delivering skills for today and tomorrow.

As part of the Skills Package, the Government committed $41.7 million to pilot two Skills Organisations. The Skills Organisation pilots will target two key priority industries:

- Human services care (which may encompass one or more of aged care, early childhood education and care and disability services)
- Digital technologies (including a focus on cyber security).

The Skills Organisations are proposed to be industry owned and will adopt a leadership role to support the VET system better meet the needs of employers, the economy and learners.

Purpose of the roundtables

To progress the design and implementation of the Skills Organisation pilots, the Department of Employment, Skills, Small and Family Business (the Department) held two roundtables with the target industries (including representatives from industry peak bodies, employers, employee representatives and others) to support them to develop and establish these pilots.

The purpose of the roundtables was to seek input and expertise from stakeholders to further develop the scope and parameters of the two Skills Organisation pilots to ensure they meet industry needs. The roundtables provided an opportunity to discuss:

- Existing arrangements for the development of training packages and industry engagement across the skills pipeline
- The key challenges with the existing arrangements
- The potential opportunities afforded by the pilots to trial new approaches
- Possible success measures to evaluate the impact of the Skills Organisation pilots, and
- The proposed staging of the pilots and next steps.

Welcome from the Minister

In a video message, the Minister for Employment, Skills, Small and Family Business, Senator the Hon Michaelia Cash noted:

- Industry is best placed to take a leading role to design solutions to its skilling needs
- The number of employers seeking information and communications technologies, telecommunications and cyber security workers is increasing rapidly
- The challenge specific for the digital technologies sector is for training to keep pace with the rapid introduction of new software and technologies
- It is essential that workers get the right skills to meet changing needs now and into the future and that industry has confidence in the quality of its workers' skills

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- Government is looking to strengthen the vet sector by trialling new industry-owned approaches to skills development to better deliver the skills our workforce needs
- The purpose of the roundtable is to commence a genuine co-design process to explore approaches to industry leadership across the entire skills pipeline.

Areas where participants are seeking change

Participants were asked to introduce themselves, and to provide a brief overview of what they wanted to learn from the day and where they were most seeking to drive change.

Participants were keen to learn more about the Skills Organisation pilot, how the funding will be spent and how industry can work together to resolve common issues. Participants wanted to understand the management and operation of the Skills Organisation, including how it will complement existing structures without duplicating work. Some participants queried what the problem was that the Skills Organisation pilot was trying to address, given the industry's limited reliance on the VET sector to supply skilled workers.

Participants were looking to drive change to:

Improve the use of VET education to address areas of need

- A number of employers noted they don't currently source workers through the VET sector but agree there is an opportunity for VET to fill gaps and help upskill experienced employees.
- Participants discussed the potential for the VET sector to help fill certain capability gaps, including gaps in human-centred skills (e.g. critical thinking, analysis, decision-making, empathy, networking); core IT skills (e.g. data management and software testing); and cyber security (to embed into broader technology training).
- Employers agreed the VET sector can provide value by providing qualifications to reskill/upskill the existing workforce (e.g. where workers' technical skills are outdated) and to cross-skill workers to create a more agile, flexible workforce.

Collaboration between RTOs, employers and learners

- Participants discussed the current fragmented approach to skills development (through universities, Registered Training Organisations (RTOs), vendors and employers) and the need to understand the environment as a whole. Participants noted it is important to understand how any new VET offerings will fit in with existing training on offer (including through universities, vendors and industry accredited courses) and to map any new qualifications to ensure they meet employer needs.
- Participants agreed that RTOs, employers and learners need to improve the way they collaborate, communicate and work together.

- Employers expressed a desire to work closely with RTOs to influence or co-create the content of training and to participate in or otherwise support the delivery of VET training (e.g. to mentor learners, support different delivery models that are not classroom based).
- Employers also expressed an interest in being involved in the assessment of learners and review of RTO performance.
- Participants discussed the need for standardisation/systematisation regarding the way industry professionals and VET students can connect and exchange information.

Meeting increasing demand and future need

- Participants discussed how core digital technology skills are increasingly required in other sectors (including in mining, agriculture, banking, etc.) and how the VET sector could respond to this by embedding these skills in other training packages to lift the digital capability of workers across sectors.
- Participants explored how different ways of packaging and delivering training (including through use of technology, micro-credentials, badging, etc.) might be utilised to improve the speed and responsiveness of the VET sector to meet the changing needs of the market. Employers agreed they are increasingly seeking smaller, 'bite-sized' training packages to deliver a specific set of skills to plug gaps, rather than full qualifications.
- Participants agreed that challenges in sourcing qualified teachers with real life experience can act as a barrier to the delivery of quality training (particularly in cyber security).
- Employers agreed that, to meet future demand, individuals need improved access to professional development and training that aligns with their career pathway and provides opportunity and flexibility.

Key challenges with existing arrangements

Through discussion, participants confirmed some of the problems that the Skills Organisation pilots were designed to address (some of which were identified in the Joyce Review), including that:

- The VET sector is undervalued by industry as a source for skilled workers
- Qualification development can be slow and unresponsive
- Confidence in the VET sector is declining, including in the ability to deliver skilled workers that are 'job ready'
- There is limited national architecture to support strong, systemic industry leadership in the quality of training delivery and learner outcomes
- There is limited industry visibility, engagement and influence over training delivered by RTOs to ensure learners gain practical skills.

Participants also discussed the challenges they have experienced that were more particular to the digital technology sector:

- Previously, the sector has had limited engagement with government and employers aren't sure how to work with government within the existing system to drive change.

- The digital technology sector changes rapidly and participants noted that qualification development within the current system cannot keep up with the needs of the sector.
- Confidence in the VET sector is declining (as demonstrated by decreasing enrolments in VET education). Participants queried how the Skills Organisation pilot could be expected to address these broader issues and make the VET sector more attractive to prospective learners. It was noted that other initiatives within the Skills Package can also contribute to addressing this.
- Some participants noted that inconsistent funding models between states and territories can make it difficult for national RTOs to implement training packages and deliver training in a consistent way.

Opportunities for Improvement

Participants quickly moved to discuss different ideas and changes that could be made to help address these challenges, including in relation to:

The learner journey

- Providing information to learners to give an insight into what the qualification will involve, including using language that aligns more with industry terminology to make it clear the skills they can expect from a VET qualification and the job opportunities this may open to them.
- Introduce assessment of students prior to their commencement of VET education – by testing aptitude, learning style and personality – to determine where they might be best suited for employment and to personalise training.
- Make changes to the delivery model of training, including to:
  - o Personalise training to meet an individual learner's needs, or to meet the needs of a class of learners (e.g. bank tellers where teller jobs are reducing but the workforce could be reskilled to be deployed elsewhere in the organisation).
  - o Increasing the availability of quality online training in quick/easy/accessible formats. This also supports lifelong learning.
  - o Have employers more involved in the assessment of capability/skills of learners, including through independent/employer-led assessment and providing feedback loops to the RTO.
  - o RTOs could be paid based on outcomes i.e. by quality/skills of the learner or by job placement within the industry.
  - o Include work placement as a standardised part of training for students (to ensure practical learning) and trainers (to ensure industry experience and quality of trainer).
  - o Employers could 'sign up' to this model to provide placements within their organisation and provide mentors for students and for trainers.

o It was noted that work placement in this industry doesn't necessarily need to be on site.

Broader system infrastructure

- A stocktake of existing qualifications (including vendor and industry accredited courses, VET and universities) could be undertaken and sorted to create a hierarchy of learning modules, including clear pathways and links for students.
- Training content could be sorted such that it includes clear identification of:
    o Core IT content (e.g. Data management, software testing, cyber security) – potential for this to be standardised and/or free
    o Core soft skills (e.g. Critical thinking, analysis, decision-making, empathy, networking, report-writing, presentation skills)
    o Specialist IT skills.
- Employers (or groups of employers with common training/skill needs, e.g. banks, telcos, etc.) could:
    o Use data and/or survey workers to better understand their skill/training needs
    o Work collectively with RTOs to develop training content based on need
    o Adopt a systematic approach to work placement and mentoring
    o Assess learner outcomes to create feedback loops to RTOs.
    o Providing recognition for high performing RTOs that provide quality learner outcomes relevant to industry. Employers can undertake skills testing on hiring and can feed this intelligence to ASQA for recognition/feedback to RTOs.

The group discussed the diverse challenges facing the sector (differences between higher education and VET and the key challenges employers find in recruiting skilled workers). Participants debated where the Skills Organisation pilot could most appropriately be targeted/positioned to make a difference. The group discussed what success might look like and broadly agreed that it was: more students receiving quality VET education that is matched to what employers need (but with different stakeholders identifying different ways to achieve this, particularly relevant to their organisation).

Participants also discussed the need to consider the higher education arrangements and relationships and how these might complement the VET sector.

Governance of the Skills Organisation

Participants brainstormed ideas for what the composition and governance of the Skills Organisation might look like. For example:

- Leverage existing arrangements (e.g. Skills Service Organisations and Industry Reference Committees) to deliver against a revised scope of work within the current framework.

- Create a new taskforce/committee/consortium to appoint as the new Skills Organisation with, for example, a six-person board, comprising representatives from different industries (banks, telecommunications providers, product developers, small business, etc.).
- Select a large, established provider, peak body or RTO to appoint as the new Skills Organisation.
- Undertake a joint venture between an existing large provider and large RTO.
- Select a large, existing peak body as the new Skills Organisation (e.g. AIIA, AiG, Australian Computer Society (ACS), ADTIA, ABSIA, AISA, AUDA, AustCyber).
- Appoint an independent facilitator to work together to seek industry input and implement ideas.

The group identified the challenge in identifying one (or a small number) of existing entities that would have the confidence of, and acceptance by, industry to be funded as a Skills Organisation.

Participants discussed the qualities required for the Skills Organisation, including that it should be:

- Accountable – committed to driving outcomes and an ability to dedicate time to achieving outcomes.
- Agile and/or reasonably small in size.
- Able to consult and connect with all types of employers, RTOs, learners and to bring stakeholders together.
- Reputable and involved in the sector.
- Able to manage a vested interest, i.e. Not able to benefit financially from being the skills organisation.
- Able to market itself/the pilot to make ideas attractive to employers, RTOs, learners.
- Able to translate what employers need/want and communicate a training and career path aligned with this to learners.
- Able to access to data and it platforms to support the work.

Participants discussed their differing understandings of what the Skills Organisation might look like, how it would function and what it would do. It was agreed that a different approach should be taken to better articulate the problems from the industry's perspective and define next steps based on this.

Next steps

The group expressed concern that they were 'not all on the same page' in terms of the problems the pilots were designed to solve, nor the potential scope of the pilots (or how they might work together noting how different each stakeholder's interests were). Some participants suggested a 'hackathon' to get a broader range of expertise to design solutions.

The group discussed what was needed to move to the next step, with stakeholders variously suggesting that work needed to be done on:

- What jobs do employers need filled?

- What are the skills missing?
- What models have already been trialled that could be scaled up?

Participants agreed to the following next steps:

- Industry representatives would pull together a short briefing paper on the Skills Organisation pilot, including the:
  - Problem definition (the Department to facilitate drafting this).
  - Objectives and opportunities for the Skills Organisation pilot.
  - Scope and parameters around the Skills Organisation pilot, including constraints.
  - Some key statistics regarding the sector (e.g. regarding qualifications, RTOs, skills shortages, demand to fill).
- A small group of industry representatives would work together to draft the briefing paper 'in industry language'.
- It was agreed that any case studies that might be leveraged in the development of the Skills Organisation pilot should be developed into one-page overviews and included as attachments to the briefing paper.
- These papers should include: a brief overview of the organisations involved; what was done; what the outcomes were; consideration of how it could be scaled up; discussion of the barriers and opportunities.
- Some industry representatives would provide case study overviews.
- Once the smaller industry group has reviewed this information and refined the overview of the Skills Organisation pilot, this would be circulated to the broader group for feedback.
- The Department would facilitate a teleconference with the smaller industry group to discuss the briefing paper and consider next steps.
- Participants discussed the idea of a Hackathon to further develop the focus areas for the Skills Organisation pilot.