

## Slide 1 – Title Slide

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## Slide 2 – Agenda

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- Welcome and thank you for taking the time to join us today to discuss our planned approach to market for outsourced skills assessment services.
- My name is David Donovan, and I am the acting Assistant Secretary for Trades Recognition Australia (TRA).
- As a potential supplier, your views are important to us, and will help us shape our work moving forwards. I hope you find this session informative and take advantage of the opportunity to provide feedback.
- Before I get started, I would like to respectfully acknowledge the traditional owners and custodians of the lands from which we are meeting today, which for me is the lands of the Ngunnawal and Ngambri peoples. I would also like to pay respects to their Elders past, present and emerging and particularly welcome any Aboriginal or Torres Strait Islander people joining us today.
- As you can see, we have an ambitious agenda today.
- We will be sharing quite a lot of information and seeking your feedback and input on specific points relating to our planned approach to market.

## Slide 3 – Probity

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- The information we are sharing today is provided for information only. It is subject to change and is not to be relied on as a commitment of any kind by the department.
- We will be seeking feedback via interactive presentation software, Mentimeter, which we refer to as Menti throughout this webinar.
- It is important to note that these consultation webinars are not part of a procurement process. Providing feedback or participating in this webinar is not mandatory. Nor will your participation provide you any right, advantage or benefit in any future procurement process.
- To ensure our consultation process is ethical, transparent, honest and fair, the department has put in place several probity safeguards, including:
  - 1) Making sure the webinar sessions are scripted so that all participants across each webinar session receive the same information and are asked the same questions,
  - 2) Providing all potential suppliers that have registered to participate in these sessions with the same information,

- 3) Providing participants with the option to participate in the webinar on an anonymous basis and to provide questions and feedback anonymously.
  - 4) Taking any questions on notice and answering these in writing. Written responses to any Webinar questions will be available following the final Webinar. These will be publicly published on the department's website. Please add any emerging questions in the Teams Q & A function as they arise.
- The department is recording these sessions as a means of capturing your feedback and insights and you consent to being recorded. Any information provided by you in these sessions must not be confidential or subject to any restrictions.
  - Recordings of each Webinar will be publicly published on the department's website following the final Webinar.
  - The department may use the information provided by participants during these webinars for its planning purposes. However, please be assured that information provided by participants during these webinars, will not be used by the department as part of its evaluation of any future tender submitted by a participant.
  - Thank you, let's get started.

#### Slide 4 – Objectives and Outcomes

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Trades Recognition Australia is on a transformation journey. Part of this is about modernising how we deliver services to our customers.

- Regularly engaging with our stakeholders is a critical part of how we do business.
- In addition to this regular engagement, earlier this year, we conducted a series of design workshops to start shaping our future state vision.
- Since April, we have also been engaging industry in a conversation about our skills assessment standards.
- Collectively, these engagement activities are helping to inform our settings into the future. The insights and feedback provided by stakeholders is ensuring our standards continue to meet industry and employer requirements. It is also assisting us to address emerging skilled migration risks and opportunities.
- The Webinars are assisting to raise awareness of the work we are doing and our planned approach to market.
- As potential suppliers, we want to capture your feedback on our proposed changes to assessment services, so that we can continue to deliver services that are simple, consistent and efficient. We also want to check how our proposed engagement terms are viewed in the market.

## Slide 5 – Setting the scene

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- Australia’s skilled migration program seeks to attract migrants who will positively contribute to the Australian economy through the provision of skills and labour that cannot be sourced locally.

## Slide 6 – Setting the scene (Australia’s skilled migration system)

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- Prospective skilled migrants often need to undergo a skills assessment to support their application to the Department of Home Affairs for a skilled visa.
- Skills assessments are intended to ensure an applicant can perform at the required skill level for their nominated occupation in an Australian workplace.
- Skills assessments also give assurance to government and the individual, that their training and experience, is relevant and appropriate for the Australian labour market.
- The requirement for a skills assessment is informed by the Skilled Occupation List which set out the occupations Australia needs to fill skills shortages. The Skilled Occupation List also includes information such as associated visa types, qualification requirements and assessing authorities.
- Migration skills assessments are undertaken by 39 assessing authorities approved by the Minister for Skills in accordance with the *Migration Regulations 1994*.
- These assessing authorities collectively conduct more than 100,000 skills assessments each year for some 650 professional and trade occupations on the Skilled Occupation List.
- Established in 1947 to support returning soldiers have their trade skills gained during war time, recognised for reintegration into the Australian workforce, Trades Recognition Australia is one of the Australian Government’s longest running programs.
- Trades Recognition Australia is one of the 39 assessing authorities. TRA offers skills assessments for people with trade skills gained overseas or in Australia, for the purpose of migration.
- A part of the Department of Employment and Workplace Relations, Trades Recognition Australia is not only one of the largest, it is also the single government assessing authority for VET occupations. TRA manages more than 45,000 applications a year.
- Trades Recognition Australia has responsibility for assessing trade skills for 131 technical and trade occupations to the Certificate IV level. This includes electricians, carpenters, plumbers and other occupations that are critical to the Australian economy.

- A successful skills assessment is a prerequisite for many permanent skilled visa classes, and Trades Recognition Australia is the only assessing authority for certain occupations vital for meeting Australia's clean energy and housing challenges.
- The programs we deliver have changed over time. Our current focus is on providing trade skills assessments for people wanting to apply for a skilled visa to live and work in Australia. This makes us a critical part of supporting a pipeline of trades skilled people to supplement Australia's domestic labour force in areas of shortage.

### Slide 7 – Setting the scene (Trades Recognition Australia's programs)

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- Trades Recognition Australia currently delivers skills assessments through six discrete programs. The programs are based on occupation, country of passport, place of study and the type of skilled visa being sought.

- The six programs are:

**The Provisional Skills Assessment** – for international VET students that have graduated with an Australian qualification and are applying for a 485 visa with 18 months of work rights. A successful Provisional Skills Assessment is a requirement to participate in the Job Ready Program.

**The Job Ready Program** – a minimum 12-month employment-based skills assessment for eligible international graduates in Australia who have an Australian trade or associate professional qualification issued by an Australian RTO.

**The Temporary Skills Shortage Skills Assessment (or TSS) Program** – for people applying for a Temporary Skills Shortage visa from countries and occupations nominated for this visa type.

**The Offshore Skills Assessment Program** – for people applying for skilled migration visas from nominated countries and occupations. For licensed trades, this may include an Offshore Technical Skills Record, which is needed to gain a license to work in a state or territory.

**The Migration Points Advice Program** – for people who have received a successful Trades Recognition Australia outcome and who want to apply for a points-tested, independent skilled migration visa. Customers use this program to tell the Department of Home Affairs about the comparability of their qualifications and/or employment experience against Australian standards, to assist with assessing a point-tested visa application, and

**The Migration Skills Assessment Program** – for eligible people seeking to have their qualifications and employment history assessed to determine comparability with

Australian standards for a skilled worker in a nominated occupation, to support a skilled visa application.

- All our programs are cost-recovered from customer fees.
- Today we will be focusing on the outsourced assessment services that support Trades Recognition Australia's Job Ready, TSS and Offshore Skills Assessment Programs.
- Outsourced Assessment services are provided by approved RTOs on behalf of TRA for the three programs shaded in green, with the current arrangements set to expire on 30 June 2025.
- There are three categories of assessment services under the Job Ready, Temporary Skills Shortage and Offshore Skills Assessment Programs, all of which may be relevant to a given occupation:
  - 1) A **Documentary Evidence Assessment** involves an assessment of Australian and/or offshore qualifications and relevancy and currency of employment experience,
  - 2) A **Technical Assessment** may be conducted online or in person and involves an assessment of technical knowledge, and
  - 3) A **Practical Assessment** involves a practical assessment of demonstrated skills and may be conducted in person or over video. Under the current agreement, for the Job Ready Program a Practical Assessment is referred to as a Job Ready Workplace Assessment.
- Presently, Trades Recognition Australia manages outsourced skills assessments for the three programs through two discrete sets of arrangements. This involves multiple in-house contract management teams and we will talk about this further in the coming slides.
- Under our planned approach to market, we intend to centralise assessment services from the current two agreements, into one agreement, and to streamline internal contract management functions.

### Slide 8 – Our key drivers and future state vision

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- The Government's Migration Strategy was released in December 2023. It outlines a new vision for Australia's migration system.
- Further information on the Government's Migration Strategy is available on the Department of Home Affairs Website.

## Slide 9 – Our key drivers and future state vision (Our vision)

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- A key commitment of this Strategy is to streamline skills assessments to better unlock the potential of migrants.
- A range of priority industries continue to face long-term technical and trade skills shortages. This threatens Australia’s ability to develop essential urban infrastructure, particularly housing.
- With all of this in mind, there is increasing attention on Trades Recognition Australia, as the primary government lever, to streamline the assessment of trade skills that are critical to the Australian economy.
- Our current skills assessment models were designed over 15 years ago. This has resulted in our assessment programs being generally slower and more rigid by today’s standards, whereas industry is looking for speed and flexibility.
- This creates a pressing need for us to deliver services that are more responsive, simplified and customer and outcome focused.
- Trades Recognition Australia is undergoing a broader modernisation. The planned approach to market is one piece of a larger program of work that will impact the policy and operational landscape in which we operate.
- There is no one better placed than an RTO to understand what employer and industry needs are, and in turn, to contribute insights into how we use outsourced assessment services to deliver our core business.
- These outsourced arrangements create a pathway for us to draw on your subject matter expertise to make sure that a Trades Recognition Australia skills assessment delivers successful Australian labour market outcomes at the required level.

## Slide 10 – Streamlining agreements

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- I previously spoke about our intention to centralise the outsourced assessment services, from the current two agreements, into one agreement, and to streamline internal contract management functions.
- With this in mind, we are proposing three key changes in our procurement approach. We are going to talk you through what these are, and using the menti tool, ask you some targeted questions to gather your views.

## Slide 11 – Our approach to streamlining

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### As mentioned, our first proposal is to put in place a single agreement.

- Presently, we manage our outsourced assessment services arrangements through two discrete agreements. These agreements contain different terms, conditions and expectations for TRA's Job Ready Program on the one hand, and the Temporary Skills Shortage Skills Assessment Program and the Offshore Skills Assessment Program on the other hand.
- This means that suppliers participating in all three programs must meet two different sets of terms and conditions and expectations. This is administratively burdensome for suppliers and for us.
- Moving forward, we think centralising the outsourced assessment services from the current two agreements into one agreement for all three programs will provide:

**Standardisation** in how we contract, manage performance and utilise the outsourced assessment services across programs,

It will provide **increased flexibility** to quickly respond to emerging service gaps and changes in demand, removing service delivery single points of failure, and

**It will reduce the administrative burden** associated with delivering contracted services for all parties.

- Thinking about this approach, I would like to gather your feedback on this approach – if you could please go to **menti.com** on your devices.
- We have shared a unique code in the chat. Please enter this code in menti when prompted and you should be presented with our first statement.
- Please let us know via the Teams chat function if you cannot access menti.

#### ► **menti.com**

(Menti question) To what extent do you agree with the following statement:

**“Standardising performance and contract management across our programs will make it easier to do business with us.”**

(Menti options) – Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree

- I will give you a moment to register your responses.
- Thank you and please keep menti open as we will be using this throughout the remainder of this session.

### **Our second proposal seeks to create greater contract flexibility.**

- The current agreements are relatively rigid with respect to service delivery processes, procedures and standards for suppliers, in most cases, requiring a variation when changes are needed.
- Under the new approach, Trades Recognition Australia is proposing the agreement will include provisions to more flexibly adjust these aspects, removing the need for unnecessary contract variations.
- Please jump back into menti and you should now be able to see the next question.

#### **► [menti.com](https://www.menti.com)**

(Menti question) Considering the following question, please provide up to three words or short statements for the word cloud. There is a 25-character limit for each response.

***“What do you think are the potential benefits and barriers associated with increasing contract flexibility to minimise the need for variations?”***

- I will give you a few moments to register your responses.
- Thank you.

### **Our third and final proposal seeks to create opportunity for suppliers to increase their market footprint.**

- The current assessment services are provided based on different parameters for different programs.
- For the TSS and Offshore Skills Assessment programs, customers select a supplier to deliver services based on their country of passport and occupation type.
- For the Job Ready Program, Trades Recognition Australia allocates customers to suppliers based on the geographic location of their Australian employer and occupation type – this considers Australian State or Territory and subsequent metropolitan, regional or remote locations.
- The current arrangement for the Job Ready Program restricts suppliers to delivering services within agreed designated business areas.
- The current approach collectively hinders the opportunity for suppliers to extend their market footprint and for us to quickly leverage additional capacity.
- In the future, as service gaps emerge and/or supplier capacity changes over the agreement term, a single agreement will enable us to better respond to pressures. Trades Recognition Australia will do this via an approach to existing Suppliers to expand the regions and/or countries where they deliver skills assessment services.



- Please jump back into menti and you should now be able to see our next statement.

► **menti.com**

(Menti question) To what extent do you agree with the following statement:

***“As a potential supplier, the opportunity to bid for multiple geographical location/occupation combinations is compelling”***

(Menti options) – Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree

- I will give you a moment to register your responses.
- Excellent, thank you. As mentioned earlier, please keep the menti tool open as we will be using it throughout the remainder of the session.
- This now concludes our discussion on proposed streamlining of contracting arrangements.

### Slide 12 – Service fees and other incentives

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- We want to deliver efficient and effective outcomes for our paying customers.
- To achieve this, we rely on our suppliers delivering responsive, high-quality and informed outsourced assessment services on behalf of Trades Recognition Australia.

### Slide 13 – Service fees and other incentives (Fair payment for services)

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- We acknowledge that we operate in a landscape that is not “one size fits all”. Our customers can be found anywhere across the globe. As such, the cost of delivering services varies. However, we also need to provide fairness for our customers and ensure that they are not disadvantaged by higher charges or a reduced service because they live and work in a difficult to service area.
- Looking at our Job Ready Program data, since 1 June 2021, approximately 5,600 customers (or 17%) would need an in-person assessment in either a regional or remote location.
- It is our intention to acknowledge this, ensuring fair payment for outsourced assessment services delivered on behalf of Trades Recognition Australia. This includes the removal of barriers to servicing regional and remote locations.

**We are striving to develop a payment model that supports this ambition.**

- Trades Recognition Australia charges customers fixed fees for services depending on the program they are participating in – this will not change.
- Presently, we pay our suppliers fixed fees regardless of the geographical location they service.
- This presents an inequity for suppliers who service regional and remote localities as well as for regional and remote customers who often wait a protracted amount of time to access these services.
- Moving forward, Trades Recognition Australia intends to implement a revised payment structure for suppliers. The payment structure will be based on the location that an in-person assessment is conducted.
- We think this will provide:

**Incentive for suppliers** to service regional and remote locations, and to do so in a more timely fashion,

It will provide **fee equity**, in recognition of the additional cost to suppliers that service regional and remote locations, and

It will provide **increased opportunity** for suppliers to compete for a greater service footprint.

- We intend that the proposed payment structure will comprise a flat fee for a specified type of assessment activity (for example, a technical or practical assessment), and an increased fee for services conducted in regional and remote locations. The flat fee will be set by TRA.
- We intend to adopt an Australian Government standard classification model to determine what constitutes regional, remote and metropolitan areas. For example, the Australian Bureau of Statistics uses the Accessibility/Remoteness Index of Australia Plus. The ARIA+ provides a nationally consistent measure of remoteness that recognises service accessibility, locality population and road distance.
- We want to test our assumptions to inform the proposed payment structure.

► **menti.com**

(Menti question) To what extent do you agree with the following statement:

***“A location-based payment will provide equity in remuneration for suppliers servicing regional and remote locations.”***

(Menti options) – Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree

- I will give you a moment to register your responses.

- Thank you. Moving on to the next statement, which should now be on your screen.

▶ **menti.com**

(Menti question) Considering the following question, please provide up to three words or short statements for the word cloud, remembering the 25-character limit.

***“What Australian Government or other models are you aware of that could be used to establish a location-based payment for offshore assessments?”***

- I will give you a moment to register your responses.
- Excellent, thank you. This now concludes our discussion on service fees and other incentives.

### Slide 14 – Enhancing the customer experience

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- Earlier we referred to our intent to modernise how we deliver services to customers. Part of this is making our services more customer centric.
- We have big strides to make in this area, however through the redesign of our assessment services we have an opportunity to start affecting change.
- We are proposing two enhancements to our approach, which we will talk you through, and again, using the menti tool, ask you some targeted questions to gather your views.

### Slide 15 – Enhancing the customer experience (Customer-centric servicing)

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**Trades Recognition Australia proposes to make our data more transparent and publicly available.**

- As we have already outlined, we outsource certain skills assessment services to draw on industry expertise.
- The Job Ready, TSS and Offshore Skills Assessment programs utilise these services for differing objectives and at different points in their business processes.
- As a result, we currently have in place two different skills assessment services referral models depending on the program.
- Job Ready Program customers are referred by our program officers to a supplier. This is based on the geographic location of their Australian employer and occupation type.
- While this contributes to a level of administrative burden on our side, it does mean that we can **balance the volume of referrals** allocated. This ensures that customers are not unnecessarily delayed in having their assessment completed.

- The unprecedented demand on suppliers for the Job Ready Program remains a challenge for us.
- While we have measures in place to normalise these volumes, we are experiencing processing delays. This is resulting in significant numbers of calls from our customers seeking to check on the status of their assessment and assessment recommendation.
- By contrast, participants of the TSS and Offshore Skills Assessment programs self-select a supplier to deliver their outsourced assessment services.
- Participants choose a supplier using the RTO Finder tool on our website. This tool provides a list of:

**Contact details** for approved RTOs by occupation, and

The **Locations** customers can undertake a TSS program or Outsourced Services Assessment Program skills assessment offshore or in Australia.

- The challenge with this model is that customers select a supplier without any contextual information, such as details of current supplier processing timeframes. This means that customers may inadvertently select a supplier with long wait times, potentially delaying their journey through the assessment process.
- This also gives rise to some suppliers with higher demand experiencing additional pressures on their assessor and administrative resources.
- Moving forward, we intend to publish supplier performance data in a way that supports our customers:

**To make a more informed choice** when selecting a provider based on expected processing times, and

**To better self-manage** by providing them with access to up to date information online about how long it may take to have their assessment completed, thereby managing customer expectations, and reducing demand on enquiry lines for all parties.

- This approach is consistent with the department's Data Sharing and Release Policy in that *"The department makes data available to inform statistics, research, evaluation and evidence-based decision-making, including compliance with government policies"*.

- The principles underlying data release include, but are not limited to:
  1. We publish our data externally by default,
  2. We ensure our published data is discoverable,
  3. We make our data accessible and inclusive where appropriate,
  4. Our published data protects the privacy of individuals,
  5. We regularly review our published data, and
  6. We publish different data products to suit the data literacy of our users.
- The department must be the custodian of the data we publish. This means we need to determine what data we need to collect and manage, to appropriately reflect supplier performance.
- The performance measures, including reporting requirements, in our proposed agreement will define these.
- However, for the purposes of this next activity, we will consider that we capture data that will measure the time taken between referral to the supplier and the date the assessment recommendation is received by Trades Recognition Australia.
- Thinking about this proposal, I would like to capture your views – if you could please jump back onto menti for the next statement, and the final time today.

► **menti.com**

(Menti question) Considering the following question, please provide up to three words/ short statements in the word cloud.

***“What do you think are the potential issues with making skills assessment services performance data publicly available?”***

- I will give you a moment to register your responses.
- Excellent, thank you. That now concludes our discussion on proposed customer-centric servicing.

### Slide 16 – Wrap-up and final insights

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- I want to thank you for your participation today.
- Before we close today’s session, I would like to provide an opportunity for you to provide any final, general insights. You can do this using the Teams chat function.

## Slide 17 – Wrap-up and final insights

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- Your collective insights are valuable and may be used for the department's planning purposes in connection with a potential approach to market. At this stage we anticipate the approach to market will be released on AusTender later this year.
- Please take a moment to register on AusTender at **tenders.gov.au** to keep up to date on any changes.
- In wrapping up this session, I would like to acknowledge your feedback and the various questions that have filtered through on the chat.
- As mentioned at the start, we will take these on notice and provide written responses to these to all registered participants across all sessions.
- There are multiple sessions on offer this week, so our responses will be distributed following the conduct of the last session.
- Recordings of all the webinars will be published on the department's website, along with a copy of the slide deck and responses to any questions you have submitted in the chat.
- Following this session, if you have any other questions or comments, please don't hesitate to send them to [TRApurchasing@dewr.gov.au](mailto:TRApurchasing@dewr.gov.au) by **5pm Canberra Time on 31 October 2024**.
- Otherwise, thank you again and enjoy the rest of the day.