

19 December 2014

Dear Sir/Madam

CMPA submission
***“Industry Engagement in Training Package Development – Discussion Paper
Towards a Contestable Model”***

The Construction Material Processors Association (CMPA) is dedicated to the representation and service of its members in the Victorian Earth Resources industry. The CMPA represents a broad spectrum of businesses that extract and process hard rock, gravel, sand, clay, lime, soil, and gypsum. CMPA members also operate recycling businesses. CMPA members are typically small to medium sized family businesses, local government and utilities. Many are regionally based employers and service local construction, infrastructure and road maintenance needs. The Extractive industry underpins growth and development in Victoria through supply of the construction materials described above (58 million tons in 2011/12, approximately \$833 million). CMPA members account for approximately half of this production.

Training is an issue for the extractive industry in that it is a relatively small industry with a regionally located and mature aged work force. On 12 February 2013 the CMPA hosted an industry employers and educational providers’ forum to evaluate the way forward with respect to the industry accessing a training and assessment service that will add value to extractive businesses.

The key points from that forum were:

1. The training system and funding arrangements are a language all of its own and combine to present a formidable barrier for employers and employees seeking to engage with the training system.
2. Vocational training, assessment and qualifications arrangements must be based on typical jobs found throughout the industry.
3. Only a properly targeted training and assessment system will add value for industry in terms of upskilling to meet increasingly complex safety and compliance requirements.
4. Industry qualifications must reflect typical industry job profiles in order for upskilling initiatives to underpin systems/job redesign and associated productivity improvements.
5. Employer engagement with the training system is an investment where the potential pay-off is in terms of enhanced compliance, safety, productivity and staff morale.
6. The Certificate III (Resource Industry and Infrastructure) was seen as a typical example of an industry qualification that had only tenuous links to real quarry related jobs in the industry.

7. Existing and previous funding arrangements have skewed training towards Certificate III level training, at the expense of well targeted Certificate II level training, which has undermined the compliance, safety, staff morale and productivity improvements that might otherwise have been achieved.
8. The CMPA is committed to assisting the Government to develop an action plan that addresses the issues raised above and a road map towards implementing a training system that can add value for extractive businesses, and at the same time represents a much better investment for both Federal and State Governments in our future workforce.

The CMPA welcomes the opportunity to comment on the “*Industry Engagement in Training Package Development – Discussion Paper, Towards a Contestable Model*”

| Discussion Questions | CMPA comments |
|---|--|
| 1. What are important features of the development and maintenance processes for industry defined qualifications that need to be retained in any new model? | Industry input is extremely important with representatives being sourced for their areas of expertise. However, the issue of the ability for the representatives to devote the time necessary needs to be overcome. |
| 2. Are there any other features necessary for industry led training package development and maintenance process? | There must be adequate funding of the process. The extractive industry is relatively small and extremely competitive and would not be able to contribute financially to the process. There is a real need to remove duplication of skills/competencies spread across industry training packages. |
| 3. Are there other attributes or skills that are important to support efficient and effective training package development process? Provide an explanation. | Development of qualification profiles must be driven by real industry job profiles to ensure relevance. This can only be driven by industry input as opposed to bureaucratic/training provider input which has forced industry to conform and compromise in getting to the current training and assessment system that is available to industry now. |
| 4. In your view what are the key attributes required for individuals or organisations developing training packages? | A key attribute is to be a recognised technical expert in the field. In addition, the ability to listen to and be driven by industry to ensure that there is in place a relevant training and assessment service that businesses view as a good investment. This system is presently not in place and this is evidenced by larger companies having developed in-house site specific training. |
| 5. How might your industry/sector contribute to the development and maintenance of training packages? Financial, in-kind (e.g. allocation of resources | The CMPA currently uses its membership to access technical expertise which is then provided in various submissions to SkillsDMC: in other words, ‘in-kind’ support . The CMPA can pledge its on-going ‘in-kind’ support of training package development and maintenance work. |

| | |
|--|---|
| to provide technical expertise) or other. | |
| 6. What are your views on the proposed streamlined approach to industry engagement in the qualification development? | <p>The streamlined approach with industry engagement from the start of the qualification development cycle should lead to a <u>reduction in red tape and compromises</u> forced on industry by bureaucratic requirements.</p> <p>This should lead to a reduction in the cost of training package development for Government.</p> |
| 7. How might economic analysis or industry trends be accessed in the future? | <p>Data is collected by the Victorian Government on production (stone/sand etc.) yield on an annual basis which will give an indication of how prosperous or otherwise the industry might be.</p> <p>ISCs have generally completed the task of assembling <u>accurate industry intelligence</u> well and there is no alternative evidence gathering method available other than to communicate with industry directly; on an annual basis. The use of one-off consultants has produced high quality publications but arguably with low quality content. There is currently a lack of publically available extractive <u>industry training data</u>. For instance:</p> <ul style="list-style-type: none"> • enrolments by qualification level and region (non-traineeship) • successful completions by qualification and region (non-traineeship) • training commencements by qualification and region • training completions by qualification and region. <p>Additionally, information/data/reports are necessary that outline the outcomes of training in terms of productivity gains, improved compliance and improved safety regimes. These reports are among other things, a promotional tool to promote training as a valuable investment by companies rather than a discretionary cost.</p> |
| 8. Which is your preferred approach? How would your chosen approach support your business's engagement in the development of skills in training packages? What are the advantages and disadvantages of this approach from your point of view? Do you have any comments about the other approaches? | <p>The preferred approach is <u>Approach 3</u> with industry input into the Australian Industry Skills Committee and Designated VET Sector Bodies. This seems to be the simplest approach to development of training that meets the needs of industry rather than having added layers of committees.</p> <p>The CMPA would <u>provide 'in-kind' support</u> and is not in a position to supply financial support.</p> <p>When the current system changes to focus on training developed from real job profiles as opposed to the current system where qualifications have only a tenuous link to many jobs in the industry, employers will be able to increasingly view engagement with the training system as a <u>competitive investment</u> rather than a cost where the pay back is questionable.</p> |
| 9. What are the sectoral coverage options that could best support your industry needs now and into the future e.g. cross sectoral, broad sectors or other? | <p>Of concern to the CMPA is that the extractive industry consists of <u>relatively small employers</u> compared to say the mining industry but is an essential industry that supports infrastructure growth in Australia.</p> |

| | |
|--|---|
| | As at Question 2, there is significant potential to reduce duplication by co-operatively engaging with related sectors. This would have the added benefit of enhancing the transferability of employee skills. |
| 10. In your view, which of the approaches represents the best involvement of industry in this process? Are there other approaches that should be considered? | As stated in Question 8, Approach 3 is preferred as there will be less committees for the industry to deal with. |
| 11. What are the opportunities and challenges of the approaches for: industry, employers and students? | As previously stated, revised training package development and maintenance arrangements provides the opportunity to develop meaningful training arrangements that can underpin enhanced compliance, safety, staff morale and productivity improvements. Achieving these aims will enshrine the training system as a valuable investment for employers. The challenge for Government is to ensure that what has previously been developed is utilised where practicable. The opportunity for the student is to have recognised accredited training that has real value both in the training system and the labour market. |

In summary, the CMPA is committed to assisting the Government to develop training package development and maintenance requirements that are industry driven, bereft of red-tape, timely and nimble enough to keep the industry's skilling needs up to date, and futures oriented.

Please contact me if you would like to discuss this further.

Yours Sincerely

Dr Elizabeth Gibson
General Manager