

**To: The Education, Employment and Training Committee**

23<sup>rd</sup> January 2023 – submission written by Neil Holmes of qldwater 07 3632 6850

**INQUIRY INTO THE DELIVERY OF VET IN REGIONAL, RURAL AND REMOTE QUEENSLAND**

**Introduction**

The Queensland Water Directorate, or **qldwater**, is a business unit of the Institute of Public Works Engineering Australasia Queensland (IPWEAQ) and is the central advisory and advocacy body within Queensland's urban water industry. Members include the majority of councils, other local and some state government-owned water and sewerage service providers, and affiliates.

**qldwater** facilitates the Queensland Water Skills Partnership, the only industry-led skills program for the Queensland water industry, and a national leader in strategic water skills development and advocacy. The members of the Partnership range from small local Councils to very large Council-owned distribution/retail entities and state-owned bulk entities. There are currently 54 subscriber members with broad representation across the State.

**qldwater** also facilitates the Queensland Water Regional Alliance Program (QWRAP) program, an industry-led initiative to investigate regional collaboration on water and sewerage services in regional Queensland, with over 30 participating councils involved in regional alliances. It provides a formal opportunity for councils to consider collaboration and alternative regional arrangements for managing services. This program has received, and continues to receive, generous support from the Department of Employment, Small Business and Training (DESBT) which is critical in fostering collaboration in Local Government Authorities, playing a significant role in overcoming some of the barriers faced by remote and regional workforces and their access to VET.

**qldwater** supports the Water Industry Worker (WIW) program. The WIW program focusses on providing formal recognition of skills for the water network employees within councils – an essential and sometimes under-recognised role. With a strong emphasis on on-the-job learning, the program provides a practical approach to valuing existing skills and acknowledges that experienced WIWs often gained their skills without a structured learning framework or other formal qualification.

**qldwater** welcomes the opportunity to make a submission to the Education, Employment and Training Committee's (EETC) Inquiry into the delivery of Vocational Education and Training (VET) in regional, rural and remote (RRR) Queensland (the Inquiry).

## **Background & Context**

The National Water Training Package (NWP) is the main vocational training package used for the sector, with the Certificate III in Water Industry Operations the most widely utilised qualification and the generally accepted minimum standard for water/wastewater treatment operators.

Previous workforce surveys conducted by **qldwater** have shown that 95% of water treatment plant operators and 76% of wastewater treatment operators hold a qualification from the National Water Training Package, with the Certificate III the most common qualification for over 70% of operators. (Source - qldwater consolidated submission to DESBT Future Water Industry Training Needs, February 2021)

From discussions and regular consultations with members, **qldwater** understands that:

- The need for fit for purpose (timely / affordable / relevant) training is critical, to deliver the public health and environmental protections that communities and the regulators through legislation expectations and demands.
- The need is prevalent in all supplier jurisdictions, regardless of the entity providing the water or sewerage services; impacts are felt more keenly by remote and regional providers who have more pressure on budgets.
- Localised and subsidised training are some of the mainstay component factors of fit for purpose and effective training models for water industry staff.

## **Terms of Reference 1 - The role of public providers in VET delivery in rural, remote and regional Queensland, including:**

- **VET pathways, participation rates and outcomes**
- **VET delivery for Aboriginal peoples and Torres Strait Islander peoples, including enablers and barriers to VET**

## **The Role of Public Providers in VET Delivery:**

In her opening remarks to the Education, Employment and Training Committee on 19<sup>th</sup> April 2021, Ms Mary Campbell, CEO of TAFE Queensland stated that “Vocational education and training is an integral piece of the Australian education system. There is no doubt vocational education and training has played a critical role in building Australia's workforce and will continue to do so for many decades to come.”

She went on to say:

“As the state's largest and most experienced VET provider, TAFE Queensland has a broader remit than the delivery of training alone. Not only are we committed to providing the training and skills needed to support our state's employers and industries; most importantly, we are committed to

supporting the communities in which we live and work throughout Queensland. As such, our training is accessible to students from all walks of life. We enrol students from diverse education and socio-economic backgrounds to enhance the economic and social wellbeing of the communities that we serve. In closing, TAFE Queensland is committed to providing Queenslanders with the high-quality, hands-on training that they need to succeed in their chosen career while fulfilling the skills demands of the communities.”

Public providers of VET delivery have been cited by the Department of Education (DoE) as playing “an important role where there is market failure, when it is not feasible for smaller RTOs to deliver in RRR Queensland”.

The Department of Employment Small Business and Training (DESBT) have stated public training providers are “an essential component of a quality VET system and a strong economy, particularly for regional areas. Through public providers, Queensland’s diverse communities continue to be provided with skills and jobs pathways, including wraparound services that support the retention of students in training and provide opportunities for successful completion of courses.

**qldwater** supports these statements, in that VET is a vital component for training to respond to, and deliver on, the needs of industry in workforce development.

The role played by a public provider, with sufficient geographic coverage for delivery of training, particularly in a thin market (which water is recognised as), is one of the vital components for the VET system to deliver, and operate effectively, for all communities and localities. This is particularly true in the context of remote and regional Queensland.

These viewpoints are backed by data produced by the National Centre for Vocational Education and Research (NCVER) which confirms in the period 2017 to 2021:

- Tafe Queensland enrolled an average of 61% each year of the total students in the NWP in Queensland during this period
- Tafe Queensland’s average completion rates for the NWP training were higher than those of the private providers (57% versus 43%) in the same period

In short, TAFE Queensland was delivering more training in the NWP, with better outcome rates than private providers throughout this period.

More than that, TAFE Queensland was a significant contributor to the overall volume of learners that progressed through the NWP and afforded access to the NWP for many remote and regional students.

In May 2022 TAFE Qld ceased delivery of the NWP and the associated Units of Competency. This means that there is now no public provider of training for this national training package in Queensland.

The fact that the only public provider of training in the NWP has been able to stop delivering that training speaks to a landscape or framework that is not operating in the way that it should. This withdrawal from training delivery is at odds with the statements around public provision of training from both DoE and DESBT.

It underlines that delivery of training in this training package needs State Government support and funding to ensure it continues to be available right across the State, to all water service providers.

There are currently 54 TAFE campuses throughout the state which, presumably, could have potentially provided access for enrolments to learners in the NWP. A reduced institutional presence significantly reduces the visibility of training in the NWP to potential learners in the market or who may be transitioning to TAFE or looking to TAFE as part of an education pathway.

Delivery of training in the NWP state-wide is now solely provided by private Registered Training Organisations (RTOs). This occurs either through the State Government training subsidy program via the Skills Assure Supplier (SAS) platform, or any RTO engaged on a fee for service basis.

Meeting the requirements for entry into the SAS platform, stipulated by DESBT, has been cited as a barrier to other entrants coming to the market (with access to trainers, stipulations around sub-contracting arrangements and period of stipulated operating delivery period in Queensland as just two examples).

DESBT has also considered the opening of the SAS platform on a generalised basis but concluded that:

***“With a broad range of SAS available in Queensland to support skill needs across industries and taking into consideration the development of a VET strategy, the department has determined not to open a general application process in 2022–23. The department will continue to assess and manage requirements for additional suppliers and may invite registered training organisations to apply for SAS status if a need is identified.”***

Given the “important role” and “essential component of a quality VET system” that public training is acknowledged as providing, set against the backdrop of the substantial geographic spread of the territory involved, **qldwater** identifies the VET system in Queensland, in relation to the NWP, has been adversely affected by TAFEQ’s withdrawal from the market.

The reduced number of training providers is one contributing factor negatively impacting the ability of water service providers to reach adequately trained staffing levels across the workforce, most notably in Operators. This in turn is having a negative impact on the industry’s ability to deliver services, but also to attract entrants to - and retain staff in - the water industry.

This was echoed by the Australian Local Government Association (ALGA) “Local Government Workforce Skills and Capability Survey Queensland” report published in November 2022. Local governments who participated in the 2022 Survey said they anticipated that many of the skill shortage areas experienced in 2021-22 would become critical. These were: engineers, accountants, water treatment officers and wastewater operators.

### **Vet Pathways:**

Certificate II and III level water industry qualifications currently receive priority one funding under the User Choice program. This is particularly important for regional water service providers that are challenged by limited training budgets. Without this support Councils are forced to pay for funding at full cost, requiring diversion of time and resources away from other areas of Council budgets, to fund the required training on an ongoing basis, in ensuring those in high-risk job roles are appropriately trained and skilled.

Higher Level Skills subsidies apply to the Certificate IV in Water Industry Operations and Diploma of Water Industry Operations, although the subsidies are considered by employers to be quite low, relative to the cost of the training. Feedback from **qldwater** members suggests this is a barrier to enrolments.

Supervisory/management skills have been identified as a key skills gap for the industry and the higher-level qualifications, particularly the Certificate IV, are an important vehicle to move staff from operational roles into supervisory and manager level positions. These pathways are a critical element for staff development and retention.

### **Participation Rates & Outcomes:**

**Please refer to NCVER data tables attached to this document.**

## **VET delivery for Aboriginal peoples and Torres Strait Islander peoples, including enablers and barriers to VET**

**qldwater** has no expertise to speak in this area but recognises that there are significant opportunities around being able to keep First Nation Peoples on country for both training and return or entry into the workplace.

### **Terms of Reference 2 - the major barriers to the provision of localised and place-based VET, and priority areas and cohorts in Queensland**

**qldwater** have member's communication on barriers (not an exhaustive list) as:

- Lack of choice in the number of SAS approved RTOs delivering training in the NWP since the withdrawal of TAFE Qld from that delivery
- Lack of budget and resources in Local Councils (the majority of water and sewerage suppliers in Qld) to afford training; training without subsidy is not sustainable and in some cases not even viable
- The gap between levels of subsidy and the training costs incurred – particularly at higher levels of qualification
- Remoteness and physical distance from the RTO organisations (one SAS RTO is based in Victoria, the other in Brisbane); this is a barrier to cost effective and timely training provision
- Much of the training must be delivered on plant to demonstrate competency and is not suitable for remote based or online learning
- In remote and regional areas, some staff are required to work in multiple disciplines (water, sewerage and networks) the packaging rules around subsidised training units of competency make access to funding difficult, or prevents it altogether for the same staff member to undertake additional training
- Operational difficulties in releasing staff from duties to undertake training – particularly if this has to take place away from the work location. Staffing levels are too low to facilitate absence for training
- Literacy and numeracy skills of cohorts
- Digital literacy skills of cohorts which facilitate remote elements of learning by geographically distant trainers
- Disconnect between the currency of training material and ageing infrastructure
- Access to infrastructure relevant to the training being delivered
- Rapid advancements in technology and the ability of the NWP to retain currency and keep pace

- Lack of flexibility in the subsidy for non-accredited training or other methods of training delivery which could facilitate upskilling and workforce development
- Key water industry operations roles are practical and 'hands on' in nature - there are currently no training facilities in Queensland that provide a simulated environment for learners, so this training is typically limited to employees

**The priority areas and cohorts are:**

- Water and Wastewater Treatment Plant Operators
- Network Operatives
- Improved pathways into Supervisory and Management roles
- Roles aligned with digital technology and remote monitoring technologies (SCADA)
- Apprentices and Trainees – an ageing workforce is prevalent in many sectors of the industry
- Increased use of mentoring programs
- Greater flexibility in the awards systems for LGAs to facilitate staff development
- Development of strong pathways from School to Industry

**Terms of Reference 3 - existing programs that might assist in reducing barriers or supporting priority cohorts in accessing localised and place-based VET**

**Queensland Water Regional Alliance Program (QWRAP):**

QWRAP is an industry-led initiative to investigate regional collaboration on water and sewerage services in regional Queensland. The program is a collaboration among the Local Government Agency Queensland (LGAQ), *qldwater*, the Queensland Government (through the Department of Regional Development Manufacturing and Water) with nearly 60 councils engaged across several regions.

QWRAP works to strengthen urban water and sewerage (W&S) services in Queensland's regional communities through collaboration. The aim is to ensure safe, secure and sustainable services for the more than 300 water schemes outside of South East Queensland, which include 25 councils that own and manage some of the smallest water schemes in Australia.

QWRAP provides a formal opportunity for councils to consider and test collaboration and alternative regional arrangements for managing essential W&S services. Regions involved in the program have matured in the degree of collaboration over the course of the Program and further development is encouraged through competitive funding for projects that build future collaboration. The Program has evolved over time and includes information sharing, joint projects and common planning and strategic activities.



In respect of VET, this manifests most notably in the WIW program below:

**Water Industry Worker (WIW) program:**

The training program focusses on a key industry skills gap and allows for a baseline qualification to be issued to council employees with participants undertaking either a Certificate II or III in Water Industry Operations.

Collaboration among multiple councils has enabled career pathways within and across regions and created opportunities for continued collaboration, resource sharing and development of multi-skilled operators with consistent and trusted training credentials. It has also provided a solution to the difficulty experienced in attracting a skilled workforce to regional Queensland by creating a career path for local people. Local jobs for local people.

In 2022 after a successful funding bid pool application, and generous support from Department of Regional Development, Manufacturing and Water (DRDMW), the role of the coordinator of the program was extended for a further 3 years.

The remit was also extended, building on the success of the program in the Network Operators space, to perform the same role for Treatment Operators, in both water and wastewater treatment.

Councils have cited the coordinator role as essential to the success of the program in assisting them with access to VET and training.

**Terms of Reference 4 - examples of successful localised VET models and how learnings might be applied in other locations**

Whilst QWRAP and the WIW are not localised VET models per se, they do demonstrate the important roles that coordination and collaboration can have in localised delivery of VET models.

**Terms of Reference 5 - opportunities for the Department of Employment, Small Business and Training to facilitate improvements in these areas.**

- Increase subsidy levels for higher level skills so the shortfall between cost of training and subsidy levels are minimised
- Allow/facilitate further RTO entrants to the SAS supplier platform, increasing choice and competition and provision in the market
- Increase the flexibility of the packaging rules so that VET can be more responsive to the needs identified by Industry
- Look to encourage innovative methods of delivery of training and the inclusion of non accredited training where appropriate
- Incentives for young people to encourage apprenticeships and traineeships in the water industry



## Conclusions

**qldwater** welcomes the ongoing efforts of all levels of government to improve the quality of VET sector outcomes and provide accessible and affordable skills and training across all jurisdictions. We remain committed to this process and being part of the ongoing discussions around it.

In respect of the NWP (or future training package(s) that may replace or supersede it), **qldwater's** position is as follows:

- Water and sewerage functions are essential services for all communities and this needs to be recognised and considered by all Government, Regulators and agencies as a basic principle for legislation and support
- It is critical that industry continues to partner with governments in the design and delivery of the VET system to ensure training outcomes are of a high standard and meet current and future employer needs
- Appropriately subsidised training is vital for water service providers throughout Queensland
- Training methods and content must be flexible to respond to the ongoing needs of the Industry
- Funding packages must also be flexible to accommodate future training needs and designs
- The specific issues and requirements of Aboriginal and Torres Strait Islander Peoples need to be better considered and accommodated in the delivery of VET
- Governments of all levels need to ensure the right conditions for the VET marketplace to operate effectively and efficiently are in place and safeguarded – a public provider is a vital component of this, as is sufficient competition / choice of VET providers
- Government, Regulators and Legislators must ensure that all barriers to VET are, as far as possible minimised, or better still, eliminated altogether
- The newly appointed Inter Agency water working group will have an important role to play in ensuring that all agencies have greater cohesion in looking at the issues around VET training in the water industry, as well as the issues more broadly for the sector

Regards,

A handwritten signature in cursive script that reads "Linda Roberts".

Linda Roberts

Interim CEO, **qldwater**

