

WSAA SUBMISSION

# Industry Engagement in Training Package Development-Discussion Paper 'Towards a Contestable Model'

DECEMBER 2014



WATER SERVICES  
ASSOCIATION OF AUSTRALIA

23 December 2014

Australian Government  
Department of Industry  
Level 2, Nishi Building  
GPO Box 9839, Canberra ACT 2601

Dear Sir/Madam

RE: Industry Engagement in Training Package Development- Discussion Paper 'Towards a Contestable Model'

The Water Services Association of Australia (WSAA) welcomes the opportunity to provide comment on the above discussion paper and reinforce the importance of consultation and engagement with the urban water industry as relates to the National Water Training Package (NWP).

The Water Services Association of Australia (WSAA) is the industry body that supports the Australian urban water industry. Its members and associate members provide water and sewerage services to approximately 20 million Australians and many of Australia's largest industrial and commercial enterprises.

WSAA recently convened a meeting of industry representatives to discuss and address the approaches raised in the discussion paper. From this forum, the key messages emerging from our members are:

- The urban water industry must maintain a strong level of involvement and technical input into the NWP development and review processes
- The NWP review process must accommodate input from a diverse industry cross section comprising urban and rural water utilities, local government as the urban water sewerage services provider in several jurisdictions; private enterprise businesses servicing the water industry in metropolitan; regional and remote communities; associations representing the interests of the individual employees covered by the NWP and the training provider sector, all of which have with stakeholder interests requiring equal and balanced consideration
- There must not be any conflict of interest in the engagement process particularly relating to package developers and the stakeholders referred to in the previous point above
- The stewardship of the NWP by the industry must be supported by an effective governance arrangement that includes an industry working group in the form similar to the current Water Industry Advisory Committee, convened by Government Skills Australia (GSA)
- Recognition that the water industry is already making a significant contribution to the NWP and industry development that supports the delivery of the package, and all water corporations are under pressure to reduce costs and cannot be expected to contribute beyond current levels
- Industry is concerned that the potential loss of the Industry Skills Council and the proposed concentration on funding future package updates will mean less capability to undertake industry research such as environmental scans which may impact on other valued services such as NWP resource development and investment projects
- The current NWP review model supports input from diverse sectors within the industry. It allows specialist, technical and general input. Furthermore it encourages the collaboration on future capability requirement for the Industry by addressing trends and workforce capability planning and

- A process to endorse the new NWP must be implemented immediately and the updated NWP must be signed off before 30 June 2015.

WSAA has recently reinforced these principles through investment in an Urban Water Industry Workforce Development Project. A component of this project has been the development of a national occupations framework, which has enabled the development of competencies for specific roles to better inform the qualification and training needs of the industry. This will further assist in addressing occupational data issues and workforce planning. WSAA has also supported a workforce development survey as part of this wider project, the results of which suggest that the industry is committed to the vocational education and training system and that there is increasing demand for water and wastewater treatment process training.

## SIGNIFICANCE OF THE URBAN WATER INDUSTRY AND ITS LINKS TO VET

The urban water industry is critical to public health, the environment, productivity and employment in urban, regional, rural and remote communities throughout Australia. The urban water sector provides healthy, safe and reliable water and wastewater services that support Australia's high standards of living and underpin its economic success. The sector delivers services to over 20 million Australians in more than 9 million connected properties. Its annual revenue is over \$15 billion and it manages over \$150 billion in assets (National Performance Report 2013).

The sector delivers a range of social and environmental outcomes through its protection of public health, contribution to urban amenity and recreation and facilitation of urban development. It also ensures environmental health and biodiversity outcomes in catchments and water systems, including estuaries, coasts and bays.

Whilst employment in the water industry may not be large compared with other industries<sup>1</sup>, the roles and capabilities of employees in the industry are essential. A water crisis brought about through human error could potentially affect the health and wellbeing of individuals, damage the environment and reduce the productivity of businesses.

To minimise the risk to public health, state-based legislation, which includes the Victorian Safe Drinking Water Act and Regulations, and national guidelines, have introduced a regulatory framework that takes a "catchment to tap" risk based approach to the management of drinking water quality. In September 2010 the Victorian Department of Health released a set of Best Practice Guidelines<sup>2</sup> for operator competency and in 2012 a National Certification Framework for Operators within Drinking Water Treatment Systems<sup>3</sup> was released for piloting and implementation nationally. These certification frameworks are mechanisms through which compliance with the Act have demonstrated, and in conjunction with the NWP industry agreed competencies and qualifications, provides a benchmark for ensuring currency of employees, correct operation of complex treatment processes and drives professional development given the constant growth in technologies and improved processes.

A key component of both certification schemes is the specification of minimum skills and knowledge required by water treatment operators to work on treatment plants. These competency requirements are aligned to the national vocational education and training (VET) system and to the Water Industry Training Package, in particular.

In summary, the National Water Training Package (NWP) is integrated into many aspects of the industry including; legislation, guidelines, operational protocols and licenses, and has been critical in delivering the outcomes that assure operators have the appropriate skills and knowledge to undertake safe and effective operations. It is noted that the urban

---

<sup>1</sup> ACA Research, WaterAUSTRALIA (2010) **Water Industry Capability Survey**, Report Prepared for the Department of Innovation, Industry, Science and Research

<sup>2</sup> Victorian Water Industry Association, Victorian Department of Health (2010), **Victorian Framework for Water Treatment Operator Competencies Best Practice Guidelines**.

<sup>3</sup> Government Skills Australia (2012) **Proposed National Certification Framework 2012**.

water industry has already provided significant input into the development of the NWP and that the collective industry is urgently seeking the immediate endorsement of the revised National Water Package.

WSAA is therefore adamant that a process to endorse the new NWP must be implemented immediately and be signed off prior to 30 June 2015.

## ENGAGEMENT WITH THE VET SYSTEM BY THE WATER INDUSTRY

The Water industry's engagement with the VET system has grown significantly since the Water Training Package was first endorsed in 1998. The package has since been reviewed and updated in 2001, 2007 and is currently being finalised for endorsement in early 2015. The extensive review of NWP07 has involved a diverse range of organisations and individuals from industry associations and the public and private sectors, with 32 organisations represented on Technical Reference Groups and a larger number involved with the provision of feedback through the Government Skills Australia website and industry training and assessor networks. The industry continues to make a significant in-kind contribution to the cost of reviewing and improving its training packages through time spent attending meetings reviewing materials and providing expert comments to package developers.

The Water Training Package is heavily utilised by industry, as demonstrated in national research completed earlier this year on the Training Needs and Training Capacity of the Water Industry in Australia<sup>4</sup>. In a survey of 93 water businesses that included major urban water utilities, private sector organisations and a representative sample of local government water authorities, 78.5% reported using the National Water Training Package in the previous 18 months. Preliminary results from Government Skills Australia's 2014 E-Scan survey undertaken in September 2014 reveal a 100% uptake of the Water Training Package by respondent organisations.

The survey on Training Needs and Training Capacity of the Water Industry in Australia also found that employers anticipate demand for training from the Water Training Package to increase over the next three years, particularly in units of competency and Certificates II, III and IV.

Preliminary findings from a national census currently being undertaken by Government Skills Australia on behalf of the industry indicate there is likely to be 10,000 – 15,000 employees whose job functions align to qualifications from the Water Training Package.<sup>5</sup> A growing proportion of these employees now hold VET qualifications, particularly Certificate III in Water Operations.

A streamlined and industry driven approach to qualification development is required and welcomed by the urban water industry. The level of industry input or control over the content of the training packages should also be increased.

### Key Principles Underpinning Future Training Package Development

As consideration is given to models for the future management of training packages, there are a number of principles that should underpin such arrangements.

The development and maintenance process should be led and informed by industry. The organisation responsible for managing one or a group of training packages should be able to demonstrate:

- capacity to engage and represent all sectors and stakeholders of a given industry nationally
- capacity to identify and involve technical experts in industry
- genuine commitment to skills development in its industry/ies

---

<sup>4</sup> NSW Public Sector ITAB and the Australian Water Association for the Water Services Association of Australia (2014), **Training Needs and Training Capacity of the Water Industry in Australia**, February.

<sup>5</sup> Estimate made by the NSW Public Sector Industry Training Advisory Body who is working with GSA on the Water Census.

-independence from financial or other gain for specific groups in industry (e.g. association membership) and

-a commitment that they shall not simply focus on one training package at the expense of another (e.g. historically formed relationships should not impede their judgment or ability to provide equitable time and resource allocation)

The involvement of technical subject matter experts is essential at all stages of the process. As training packages such as the NWP can be very occupation-specific and practical in application, the development and review process requires the input of industry practitioners with current knowledge and experience of the area under review.

Water can be very occupation-specific and practical in application. The development and review process requires the input of industry practitioners with current knowledge and experience of the area under review.

RTOs should not be excluded from the review process as they have the delivery and assessment expertise that can inform the development of “workable” competencies and assessment guidelines.

A key and resounding industry theme has been that the endorsement process should be streamlined so that training packages can be delivered shortly after sign-off by industry. The current arrangements result in a minimum delay of four months before endorsement is obtained and this serves to extend the review process unnecessarily because of additional government reporting requirements.

## PROPOSED MODELS

An industry-driven streamlined approach must be retained in any new model. It is important that training packages are seen as developed by and for industry, even if their development and maintenance remains coordinated by a separate body or Government agency. Further, it is important that technical experts on training package content continue to work directly with industry subject matter experts.

Features necessary for an industry led process presupposes alignment across segments of each industry sector in terms of role design, responsibility and therefore competency requirements. The obvious concern is that there exists a potential for those organisations that either are well resourced and or have an interest in skills development to potentially use the new regime to drive self-serving outcomes that don't support the best interests of the entire industry.

The current arrangement where Industry Skills Councils (ISCs) have been responsible for training package development has worked successfully for the water industry. The water industry has been treated equitably alongside the other five industry sectors represented by its ISC, with dedicated staff responsible for industry liaison and training package development. The current ISC funding model has also provided additional benefits for the industry, including the acquisition of funding for resource development and manage research on a number of issues such as the feasibility of introducing water industry apprenticeships, the Water Census (a count of water employees in each of 28 occupations for the purpose of generating water-specific ANZCO codes) and E-Scans on workforce issues and VET trends in the water industry. All the above work has helped to inform future training requirements and to shape VET qualifications.

It is important that any future training package management model retains the opportunity for supplementary or “value add” projects to be undertaken to inform training package development. Industry-specific research is best undertaken by the industry or in conjunction with the industry, with assistance provided by the Commonwealth Government through the purchase and analysis of large data sets on behalf of all industries (e.g. ABS data).

Given the role the water industry plays in maintaining public health, the state of the environment and productivity of businesses, the water industry expects the Commonwealth Government should provide a significant financial contribution towards the costs of establishing either an Industry Sector Committee (or a designated VET body with responsibility for the water industry).

To ensure that the skills development needs of all sectors of the water industry are addressed under the new arrangements, it is acknowledged that the Water Industry will need to establish a national Skills Committee to represent the industry on VET issues, including the future maintenance of the NWP. The capacity of the water industry to provide a cash contribution to ensure its future involvement in the new system is unknown at this stage.

A coordinated industry approach is necessary. The current Water Industry Advisory Committee should be maintained in some format to ensure ongoing national collaboration and a coordinated industry mechanism for providing feedback and advice on training package development. However, the Skills Council does not necessarily need to be the administration body. If they continue to operate, there needs to be stronger industry input into how they operate and ensure performance is monitored. The water industry is largely regulated at a state level and there are a number of models which make more active use of state capabilities which could be considered.

WSAA looks forward to working closely with the Department of Industry so that any reform ensures continued protection of public health, improved productivity and customer outcomes, protection of the environment and builds on the existing sustainability initiatives so that Australia's excellent reputation in urban water management is further enhanced.

For further queries, please contact Peter Gee, Manager of Productivity and Productivity Improvement 03 8605 7609 or by email [peter.gee@wsaa.asn.au](mailto:peter.gee@wsaa.asn.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Lovell', with a stylized flourish at the end.

Adam Lovell

Executive Director

Water Services Association of Australia