

Year one case for change

Foundation Skills Training Package (FSK)

Education

Year one business case

Project 1A

October 2016

Project 1A

Review of the Foundation Skills Training Package

Version 1.0 – October 2016

Part A: Case for Change

This business case was established as a result of initial research and consultations outlined in the Four Year Work Plan for the Education Industry Reference Committee (IRC) and subsequent endorsement by the Australian Industry Skills Committee. The intention of this Business Case is to conduct a full review of the Foundation Skills (FSK) Training Package ('the Package') to establish an initial case for project work. It is anticipated that a Case for Endorsement will be submitted to the Australian Industry and Skills Committee (AISC) for February 2018.

Industry has indicated that the Package requires review and changes to address a number of issues (outlined in 'Part B: Issues identified'), including skills gaps, poor delivery, poor visibility of UoCs and the need for clarity of learning outcomes. The importance of ensuring the Package is fit for purpose and resolving the issues identified is driven by the points below:

1. The Package is relevant to all sectors.

- This Training Package impacts all industries because lower levels of foundation skills lowers productivity in the economy overall. Recent reports and research (see below) have highlighted that the current level of foundation skills in the workforce is not optimal and this Training Package has a crucial role to play in improving that situation.

2. There is a growing need for foundation skills in the workforce.

- There are a wide range of workplace skills problems including poor completion of workplace documents (42%), material errors and wastage (32%) and teamwork and communication problems (28%),¹ and significant shortages in employability and digital skills which will be critical in Australia's future workforce.²
- Approximately 53% of working age Australians have difficulty with numeracy skills; 46% have difficulty with reading skills, and 13% are classified in the lowest literacy category.³
- Industry is of the view that practitioners delivering the Package should hold expertise in foundation skills training beyond the credentials of the ordinary trainer or assessor.⁴ There is also no official, existing definition of the term 'language, literacy and numeracy (LLN) specialist' and that will need to be defined as a result of a project reviewing this Package.

3. Foundation skills are critical for employment and continuing employment.

- Proficiency in LLN was shown to be linked to employment in a 2013 study, such as where 20% of those employed held literacy skills at the highest levels, compared to 9% of those out of the labour force. Similar results were apparent with respect to skills in numeracy.⁵
- The advantages of foundation skills development for employment outcomes continue through to the higher levels of skills, such as where 76.5 per cent of people in the highest quintile for gross weekly income have document literacy skills at Level 3 or above.⁶

The Australian Industry Group (2016) Tackling Foundation Skills in the Workforce. 2

Australia's future workforce (2015) Committee for Economic Development of Australia; The Foundation for Young Adults (2016) Big data reveals skills young people need for the New Work Order. 3

Industry Skills Councils (2011) No more excuses, an industry response to the language, literacy and numeracy challenge (see page iv). See also a report prepared by NCVER as an input to the OECD study Improving Teaching and Learning for Adults with Basic Skill Needs through Formative Assessment": Misko, J., NCVER (2004) Country background report: Addressing the training and assessment needs of adults with low basic skills in Australia. 4

Various training products in the foundation skills landscape already have trainer and assessor requirements. South Australia has successfully created its own legal infrastructure to support the Package, including minimum professional standards for training providers. 5

ABS (2013) Programme for the International Assessment of Adult Competencies Cat No. 4228.0, Preliminary data. 6

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- Consultation with industry has confirmed the need for the Package to provide learners with the opportunity to undertake foundation skills training at higher Australian Core Skills Framework (ACSF) 7 levels.
- Despite the above, learners may be deterred by the perceived stigma attached to foundation skills training,⁸ where the need for broader development of LLN in Australia is perceived as an issue for the minority on ‘the margins of society’.⁹

Part B: Issues Identified

- Uncertainty around the content and delivery of the Package. This is partly due to the vagueness of learning requirements, particularly in LLN where more specific learning requirements should be provided.¹⁰ Better use of the ACSF and Core Skills for Work (CSfW) developmental framework¹¹ is also needed.
- Underuse in vocational contexts. There is a lack of understanding about how to use the Package in vocational contexts. This results in the underuse of UoCs, such as numeracy UoCs at higher ACSF levels.¹² Some enrolment data also indicates that most FSK UoC enrolments are done as part of an FSK qualification,¹³ as opposed to dual enrolments with vocational units of competency (UoCs) as originally intended for the Package. It is noted that information about enrolment rates and uptake of the Package is difficult to acquire because some enrolment data is not available for State/Territory programs and accredited courses.
- Unsuitable minimum requirements for volumes of performance evidence. Current requirements regarding minimum volumes of evidence in UoCs (‘Where a specific volume and/or frequency is not specified, evidence must be provided at least once’) have been deemed unsuitable for various UoCs.
- Skills gaps and relevance to industry needs. UoCs should be reviewed to ensure relevance and alignment with industry needs, where there are skills gaps in various learning areas and gaps in incremental learning opportunities needed by industry.
- The need for minimum professional standards. A lack of minimum professional standards has resulted in poor delivery and misinterpretation of the Package in many cases, particularly where there is a lack of LLN speciality in trainers.
- The need for flexibility. More flexibility is needed in qualifications to cater to learner needs and encourage the use of skill sets and clusters. Having core units in qualifications may impose unnecessary training, or may result in lost learning opportunities where students undergo Recognition of Prior Learning (RPL) for core UoCs.
- The need for more intuitive product names. The names ‘Foundation Skills’ and ‘Access to Vocational Pathways’ are not indicative of the training products’ purposes or learning outcomes.
- Scoping requirements. Registered Training Organisations (RTOs) with FSK qualifications on scope do not automatically have all FSK UoCs added to scope, despite packaging rules allowing for the use of any FSK UoC as an elective.
- Outdated terminology. Wording in the Package may not reflect the current Australian Qualifications Framework (AQF).¹⁴
- Poor visibility of UoCs. This results in lost opportunities for synergetic learning, particularly in employability skills training.

Commonwealth of Australia (2012) Australian Core Skills Framework. 8

Australian Government, Department of Education and Training (2012) National Foundation Skills Strategy for Adults. 9

Australian Government, Department of Education and Training (2012) National Foundation Skills Strategy for Adults; Perkins, K. (2009) *Adult Literacy and Numeracy: Future Research and Strategy*, National Centre for Vocational Education Research. 10

Industry Skills Councils (2011) *No more excuses, an industry response to the language, literacy and numeracy challenge*. 11

Commonwealth of Australia, Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education and Department of Education, Employment and Workplace Relations (2013) Core Skills for Work Developmental Framework. 12

For example, FSKNUM29 Use introductory graphical techniques for work had five enrolments over 2014 and 2015. NCVER (2015) *TVA Subject enrolments 2014-2015*. 13

NCVER (2015) *TVA Subject enrolments 2014-2015*. This excludes isolated UoC enrolments done outside of any training package qualifications. 14

Australian Qualifications Framework Council (2013) *Australian Qualifications Framework, Second Edition January 2013*. See also Australian Qualifications Framework Council (2012) *Changes to the AQF in AQF Second Edition January 2013*.

Industry Perspectives

The consultation approach for business cases is designed to build on research and consultations undertaken in development of the Four Year Work Plans. For business cases we have relied on subject matter expertise gained from structured interviews with IRC members and industry representatives to whom we were referred. Experts who were consulted during the development of this business case are listed in Table 1 of ‘Appendix C for Project 1A Review of the Foundation Skills Training Package’.

All State and Territory Training Authorities were invited to partake in the development of this document, with VIC and WA responding to this opportunity. We received feedback from some STAs that they noted the business case but reserved their right to comment more specifically during the project phase. Additionally, a round table consultation session was held at the Community Colleges Australia (CCA) Conference in October, at which various VET practitioners, consultants and RTOs attended to provide feedback on the Package.

More broadly, we published a survey to enable industry participants to provide feedback on key questions relating to training products within the scope of this business case. For this project, 72 responses were received and their feedback was considered in the preparation of this document. The organisations of respondents are listed in Table 2 of ‘Appendix C for Project 1A Review of the Foundation Skills Training Package’.

‘Industry’ opinions in this document refer to views raised and validated in consultations outlined above. It is acknowledged that additional consultation will be conducted in future project work to confirm that these opinions are largely agreed upon by a broader group of stakeholders and to determine specific changes required in the Package.

Part C: Proposed changes to training products

1. Review performance/knowledge evidence and foundation skills tables in UoCs to provide more clarity in learning outcomes

To address uncertainty around content and delivery, and underuse of CSfW and the ACSF. This will ensure assessment is better aligned with the ACSF to bring consistency in standards of competency, and address employability skills training through the CSfW.

2. Review/create UoCs to realign with industry

To realign the Package with industry needs, particularly with regards to employability skills and incremental learning in LLN. This will potentially provide a more comprehensive bank of UoCs to cater for the diversity of learning needs in VET students.

3. Review of trainer and assessor requirements to deliver FSK training products

To address poor delivery and misinterpretation by ensuring trainers and assessors hold the capabilities required to understand and deliver the Package. This may improve the quality of training and minimise the required duration of learning. More consultation is required to determine whether the risks and costs of this change would outweigh the benefits.

4. Review of FSK qualifications and names of training products

To address the need for more flexibility to cater to individual needs and encourage the use of skill sets and clusters. Changes in training product names (such as ‘Foundation Skills Training Package’ and Certificate I Access to Vocational Pathways) may also address confusion about the purpose of FSK training products, improve the marketability of the Package and ease scoping requirements for RTOs, indirectly addressing the Package’s underuse.

5. Creation of skill sets and suggested vocational UoC clusters

To address the need to improve understanding of how to use the Package in vocational contexts, as well as visibility of UoCs, addressing the underuse of the Package. This may encourage synergy between FSK UoCs and vocational UoCs through contextualised learning and assist in removing stigma surrounding foundation skills training through skill sets and suggested clusters for managerial and higher level occupations.

See also ‘Appendix B for Education Project 1A Review of the Foundation Skills Training Package, Attachment A - Schedule of Review of Training Products (Year One)’.

Part D: Total proposed changes to training products table

Total proposed changes to training products	Number of training products
Existing units of competency to be reviewed	91
Potential units of competency for creation	30
New qualifications to be created	TBC
New skill sets to be created	Approximately 5

Part E: Alternative option -- the base case

The base case (the ‘do nothing’) option must be considered as an alternative to the proposed changes in order to enable effective comparison between the two scenarios, particularly considering any non-action will jeopardise the chances of a review in this four-year cycle. The likely impacts of this scenario are outlined in the table below.

Existing issue	Likely impact(s) if not addressed
<i>Ongoing issues with foundation skills will persist</i>	<ul style="list-style-type: none"> • A number of significant, highly publicised reports this year have highlighted the need for foundation skills to be improved in the workforce.¹⁵ • The Package has the potential to be a crucial element in improving these skills in a significant proportion of the workforce. • In the absence of change to the Package, its current influence will not be improved and it is unlikely to have a significant, positive impact on these issues in the workforce
<i>Training package will avoid review for more than seven years</i>	<ul style="list-style-type: none"> • The FSK Training Package was introduced in 2013 and has not been reviewed since. • Given the new training package development process, it is not guaranteed that there will be another opportunity to review the Package before 2020, meaning it will avoid review for at least seven years. • In the absence of review, the risks of skills gaps and the delivery of an outdated Package remain unaddressed.
<i>The existing FSK training package will remain underutilised</i>	<ul style="list-style-type: none"> • Stakeholders consistently confirmed that the training package has many desirable elements, however, is underutilised or incorrectly used, muting its impact and affecting its success in delivery. • Without changes to the Package as outlined in this business case there is no better than a remote possibility that this trend will reverse on its own.

Part F: Sensitivities and risks

While there was a degree of uniformity with respect to the indicators that the Package should be updated, consultation has raised some differing views on how to remedy the issues. This is reflected in the proposed changes above, where areas requiring further consultation before determining changes required in the Package are reflective of areas which we have received differing opinions on, or which have been highlighted as contentious.

Differing views raised by industry include concerns that skills in critical thinking, resilience and taking initiative may be challenging to assess and translate into training products, that adding more UoCs may add to the issue of poor UoC visibility and confusion on how to use the Package, and that introducing more pre-level 1 UoCs may produce the risk of the Package being used to inappropriately train students requiring more specialised education and support. Another issue is that the current workforce may not be able to cater to new trainer and assessor requirements, where there is a shortage of LLN specialists, despite the National Strategy aiming to build the capacity of the education and training workforces to deliver foundation skills. Further, while more specific performance and evidence criteria is desirable, maintaining the generic nature of UoCs should be prioritised when drafting changes to avoid compromising the versatility of the Package in different vocational contexts.