



**Submission to
The Council of Australian Governments
(COAG) Skills Council**

**Regarding
Micro-credentials in the VET system**

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Context

1. In 2019, COAG agreed a vision for vocational education and training (VET) to position the sector as responsive, dynamic and trusted. To deliver on this vision, COAG tasked Skills Council with developing a VET Reform Roadmap (the Roadmap).
2. This submission is a response to the micro-credentials discussion paper prepared as the first part of the fast-tracked work on micro-credentials. This submission is intended to support the definition of micro-credentials and what needs to change to support the operation of the definition in the Vocational Education and Training (VET) sector.

Summary

3. This submission outlines what the Shop, Distributive and Allied Employees’ Association (SDA) is and the relevance of the VET system, qualifications, and micro-credentials to workers in retail, fast food, warehousing, hairdressing, beauty, pharmacy, online retailing and modelling. It then outlines what the objectives of micro-credentials should be and answers the questions put by the consultation. The SDA supports the submission of the ACTU.

Shop, Distributive and Allied Employees' Association (SDA) and micro-credentials

1. The Shop, Distributive and Allied Employees' Association is one of Australia's largest trade unions with over 210,000 members¹ working in retail, fast food, warehousing, hairdressing, pharmacy, online retailing and modelling. The majority of SDA members are low paid workers, with award rates of just over \$800 per week², and they are predominately women (60%) and young people (40%)³. The SDA has a long history of advocating on behalf of members. The SDA does this through enterprise bargaining; ensuring Awards and the NES provide a relevant safety net; and through numerous submissions made to parliamentary and government inquiries and other important reviews that relate to their experiences.
2. A key advocacy role for the SDA is protecting and supporting a strong and vibrant retail industry and supply chain providing jobs with fair and just remuneration and contributing to the economy including through skilled workers. Registered enterprise agreements and awards outline the minimum terms and conditions of employment, including the appropriate classification of workers according to the skills, qualification and experience required for the role. The system of employment in Australia is therefore reliant on reliable and high-quality education and training prior to and during people's working lives, and this includes education in Vocational Education and Training (VET) settings.
3. The definition of micro-credentialing is of interest to SDA members for several reasons. First, because if skills are needed and workers are trained in those skills, they should be remunerated and progressed in their work life commensurately. That will only occur through the relevant enterprise agreements and awards. Secondly, if there are skills that are needed, and they are not offered they should be made available. That will only be achieved if government, employers and unions work together to identify need. Thirdly, if skills can be gained through training and there is a public benefit from those skills, the training should be funded consistent with other training contributing to the public good. Finally, if skills are needed, the question should not be one of fashion in nomenclature – units, skills-sets, mirco-credentials or badges – but one of ensuring that the needs are met so that the education levels of Australia can continually improve and contribute to the economy.

¹ Internal SDA data.

² General Retail Industry Award 2010 - <http://awardviewer.fwo.gov.au/award/show/MA000004>

³ Internal SDA data.

4. This submission is also made in the context of a need for publicly funded industry-led institutions, TAFEs. TAFE should be the pillar of the VET system and should be supplemented with specialist training institutions to ensure that career development is industry-led and integrated with work. It is also important that research and development within the education system is fostered so that the retail industry is cutting edge and a sustainable place to work through transitions to new technologies and ways of working resulting in a vibrant local economy well into the future.

Objectives of micro-credentials

5. Discussions of micro-credentials tend to include a narrative about rapid responses to industry specific needs, proprietary software training, or training with intellectual property attached. Yet the debate goes to the policy setting of the training package that sets what is a qualification in Australia (the Australian Qualifications Framework).
6. If micro-credentials are to be a funded part of the training system, they should be focussed on additional skills required, not base-line skills to get and hold a job. The VET system should focus on transferable and comprehensive base-line qualifications that are embedded in industry experience. There is a risk that micro-credentials would be offered for the most in demand skills and fewer enrolments would present for full qualifications. This would cause a later skill shortage and put further pressure on the TAFE system which would struggle to respond when the shortage came to fruition.
7. There is also a risk that the business models of RTOs will respond to the policy settings rather than the specific industry need. The SDA has members in industries with naturally high levels of qualification, like hairdressing, where micro-credentials for post qualifications may be appropriate. In areas where there is an immediate need for regulatory intervention to achieve higher levels of qualification, like beauty therapy, micro-credentials might undermine the move towards having more students complete units. In retail, there is low levels of qualification but high levels of change (increased focus on customer experience, greater use of digital technologies shifting retail models, and increased automation in warehousing), it is important to meet industry skill needs as they arise. The system must be able to respond flexibly to the needs of Australian workplaces, whatever the industry.

Responses to questions put

8. *Should the definition encompass both VET and higher education or be specific to VET?*

8.1. The definition should not distinguish between sectors. TAFE units should count towards university qualification and vice-versa and, if they are to be part of the system, a similar approach should be applied to any micro-credentialing.

9. *Are there any other examples locally or internationally that should be considered in forming the definition?*

9.1. In forming a definition, the context of other already embedded nomenclature, such as 'units of competency' and 'accredited course units' should be considered. The current system covers training packages, qualifications, accredited courses, accredited course units/modules, units of competency, and skill sets. The risk is that micro-credentials will duplicate units and serve to allow RTOs to circumvent the training system.

10. *What else should be considered in developing the definition?*

10.1. TAFE should be the pillar of the VET system and should be supplemented with specialist training institutions to ensure that career development is industry-led and integrated with work. If micro-credentials serve to undermine that goal, they should be narrowed to focus on public recognition of privately funded activity as occurs with licensing schemes.

11. *What needs to change to support the operation of the definition in all settings?*

11.1. To respond rapidly to need, governments, employers and unions need to co-design the system through which micro-credentials would operate. A truly tripartite method of design and endorsement would ensure that the discussions are had, and changes can be acted upon quickly.