



Micro-credentials: The Union View

ACTU response to the Micro-credentials in the VET system
discussion paper

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Introduction

The ACTU, formed in 1927, is the peak body for Australian unions and is the only national union confederation in Australia. For more than 90 years, the ACTU has played the leading role in advocating for the rights and conditions of working people and their families. The ACTU is made up of 39 affiliated unions and trades and labour councils, and we represent almost 2 million working people across all industries. As the peak body for working people, we welcome the opportunity to provide a response to the COAG micro-credentials discussion paper.

Australian unions have long held a negative view of the introduction of micro-credentials into the VET system – which has been a perennial discussion for the last several decades. This negative view has been based on the typical definition of micro-credentials – that they could include single units or groups of units from existing qualifications. It is disappointing to see this definition of micro-credentials represented in the consultation paper, particularly in the NCVER, ASQA and Business Council of Australia definitions. The first section of this submission will cover the ACTU's objections to these definitions of micro-credentials, focussing particularly on issues with safety, workers' pay and the design of micro-credentials.

Australian unions do believe however that there is a role for, properly constituted, micro-credentials in a future VET system. Section two of the submission will outline the conditions under which we believe micro-credentials could be used effectively to allow workers to up-skill and to gain recognition for their skills.

This consultation process is critical in ensuring that micro-credentials, if they are to be implemented, are implemented in a manner which maximises their possible benefits while avoiding the significant pitfalls. With careful design, micro-credentials can serve a valuable role in the training system, but they also have a potential to significantly disrupt the current system of qualifications, with significant impacts on safety and the award system. It is our hope that this submission will ensure a positive outcome from this consultation process.

Issues with some definitions of micro-credentials

Definitions of micro-credentials which include single units or groups of units from existing qualifications are strongly opposed by the ACTU and by Australian unions. This opposition has been long standing. It is our belief that credentials of this type would fundamentally undermine a number of crucial pillars of the current VET system. In this section of the submission we will outline the serious threats that this type of micro-credential pose to worker safety and our award system, as well as a short discussion of the issues with the development, design and accreditation issues with this type of micro-credential.

Safety

In the VET system, qualifications are currently designed to ensure that, once satisfactorily completed, a worker is able to undertake their job safely both in terms of their own safety but also that their work is of a safe standard. This ability to work safely in the workplace, to utilise their skills safely and to operate in the broader workplace context safely is integral to all VET qualifications, from trades through to health and disability services. Allowing students to undertake just small parts of a qualification fundamentally undermines this design.

Allowing students to undertake just fractions of full qualification put their safety, the safety of other workers and the safety of the general public at risk. A worker with only a fraction of the skills of a fully trained worker may be over-confident in their skills and attempt to apply them too broadly or to situations for which they have not been trained. A partially trained worker operating in an environment designed for qualified workers is also likely to encounter problems that were not covered in their training, leaving them unable to address them safely. In order to operate safely workers need to have the full suite of skills laid out in a qualification – not the subset of them of their employer is willing to pay or wait for.

It is not clear that any fraction of a qualification could be adequately altered to address this issue. Qualifications are set at their current duration for good reason and attempting to take shortcuts is bound to result in more injured workers and members of the general public.

Worker Pay

The current qualification system is, for many industries, inextricably linked to the award system and the pay scales which awards apply to workers. In many cases, there is a direct and explicit link between the level of a qualification held by a worker and their base rate of pay. This makes sense. As workers gain new qualifications they are able to undertake more valuable tasks or are able to undertake old tasks at a higher level of skills, efficacy and efficiency. The award system is designed to recognise this new capacity and ensure that workers are compensated appropriately for it. Micro-credentials that are subsets of current qualifications threaten to destroy this system.

Employers have long argued for micro-credentials of this type, largely in an attempt to minimise their spending on training, reduce the time taken off work for training and to circumvent the requirement that they pay workers for their newly gained skills. Under such a system, what incentive would there be for an employer to allow a worker to undertake a full qualification? Workers could be sent off for short courses covering only the skills for which the employer has an immediate need. Employers would gain skilled workers, some of whom would likely have completed the vast majority of a full qualification, without ever being required to recognise that worker's skills in their pay. Micro-credentials of this type would effectively rob workers of the ability to have their skills fairly valued and remunerated.

There is often a belief within the discussion of this issue that this problem can be ameliorated, but this is not realistic. Leaving aside that this severing of the connection between skills and pay is a primary aim of some of the advocates for micro-credentials, and they would therefore oppose any attempt to reduce its impact, the task of modifying the award system to cope with workers undertaking fractions of qualifications and attempting to reflect the attainment of that fraction in their pay is unthinkable vast. The only workable solution is to create a system of micro-credentials which does not interfere with the existing skills-pay linkage, one which allows for a creation of a linkage that recognises the new skills gained by workers through micro-credentials but which does not require the dismantling of a complex and, ultimately, working system.

Design and accreditation

While we appreciate that this paper represents the beginning of a process and that, with its focus on definitions, this process is only at a nascent stage, it is valuable to give some consideration to how micro-credentials could actually be implemented. Design and accreditation of micro-credentials will likely represent a significant challenge regardless of which definition of micro-credentials is adopted. The reality of designing, assessing and accrediting potentially hundreds of short-duration courses, which are designed to react and change to suit industry needs and to reflect new technical advancements, would require an entirely new tripartite apparatus.

This issue is compounded however when we consider micro-credentials which include units or groups of units from existing VET qualifications. The design of micro-credentials of this type, it is inconceivable that anyone would think these units could be undertaken in isolation without some sort of change to create a micro-credential version, would require the participation of the appropriate Industry Reference Committee. These committees are already overworked and, largely due to the bureaucratic requirements imposed on them, slow to develop and approve new training products. It is inconceivable that IRCs would have the capacity, or indeed in many cases the inclination, to transform units from existing qualifications into micro-credentials and yet it is

equally impossible to conceive of a system under which these credentials are developed without the significant oversight and approval of the relevant IRC.

There must also be significant concern over the impact that micro-credentials may have on the professional status of VET educators. It is likely that private VET providers will argue that micro-credentials can be delivered by educators with only the most basic level of training in education – a stance that will fundamentally undermine attempts which have been occurring for some years to recognise the skills of VET educators and to improve the average educational qualification level of the teaching cohort.

Micro-credentials that duplicate or are made up of units contained in existing qualifications would have significant detrimental impacts on worker safety and pay and would represent a significant design, accreditation and assessment challenge. For these reasons, it is the ACTU's belief that this model of micro-credentials should not proceed. This is not to say however that micro-credentials cannot be implemented effectively and add to the educational offering of the VET sector.

How Micro-Credentials Could Work

It is the view of the ACTU that, if properly designed and implemented, micro-credentials represent an opportunity to provide workers with a range of options to continue to build on their skills and to gain recognition for training they already undertaking. A micro-credential system that works would need to have the features outlined below.

Focus on upskilling

Much of the discussion around the need to introduce micro-credentials has focussed on the likely future need for workers to have the capacity to up-skill, to add to their already extant skills to address new developments and skill needs. This is precisely how they should be used. It is the view of the ACTU that in order to ensure that micro-credentials are focussed on this task and to reduce any possibility of micro-credentials being used to undermine the existing qualification system that they should be restricted to post-qualification studies. By requiring workers to have an existing major VET qualification, much of the risk of undermining existing qualifications is removed as many of the fiscal and time incentives for employers to avoid allowing workers to undertake a full qualification are no longer relevant. Additionally, it reduces the complexity of recognising micro-credentials within paycales – as the major tiers would remain unchanged.

Additionally, a focus on upskilling would reduce the incentive for sharp practices among for-profit RTOs, who may be tempted to 'churn' through entry level micro-credentials as they did many VET courses in the past, by raising the barrier of entry for the market and by ensuring that the consumer market for micro-credentials is relatively informed and sophisticated.

Tripartite design and endorsement

While it would be premature to attempt to outline a model for the design and endorsement of micro-credentials, it is clear that any such system must be tripartite - involving government, employers and unions. This is particularly crucial to ensure that micro-credentials are able to respond effectively to industry need – about which unions and employers are the best sources of information. Sadly, the reality of the broader VET system since the Coalition came to power in 2013 has been one in which the roles of unions, and therefore the voice of workers, has been steadily reduced. It is crucial that, in addition to reversing this trend within the VET system as a whole, that any system of micro-credentials does not make this same mistake.

Capacity to recognise existing short training courses

There are already a large number of short non-accredited courses that are undertaken by workers to expand their skills or to learn new techniques. These courses can be delivered through their current employer or may be vendor-courses, designed to teach workers how to use a specific product or piece of technology. In many cases these courses are unrecognised or result in certificates or 'badges' which are of limited utility to the worker and are rarely seen as 'transferable' to new employers. Micro-credentials have the potential to allow these courses, once endorsed and accredited, to be recognised as qualifications and to empower workers to have their skills recognised by their current and future employers. Additionally, the ability to become accredited micro-credentials may act as an impetus for the quality of many these courses to increase in order to meet the micro-credential requirements – a significant improvement that leaves both workers and employers better off.

Recognition in award pay scales

While it would once again be premature to outline precisely how this would be achieved, micro-credentials, and the skills that workers gain from them, must be recognised in pay scales and workers must have the ability to be fairly compensated for their skills. Micro-credentials cannot be allowed to become second-class qualifications which are not recognised in the award system and which exist purely to benefit employers. Employees must have the ability to receive some recognition for the increased productivity and value that new skills represent. By restricting micro-credentials to post-qualification courses, the task of retrofitting them into existing awards is significantly simplified. A great strength of the existing qualification system is that the benefits from gaining a qualification are immediately realised for both employers and workers – micro-credentials must share this attribute.

In summation.

The ACTU is firmly of the view that micro-credentials which duplicate competencies contained within existing VET qualifications are an unacceptable risk to safety, an attack on workers' ability to be paid fairly for their skills and would represent a near-insoluble implementation challenge. This has been the basis for our long-held opposition to such proposals. We do however believe that micro-credentials have the potential to provide a meaningful and effective path for upskilling for workers and for the recognition of many skills that they are already gaining through existing training courses. Australian unions are dedicated to ensuring that the outcome of this process is one that is fair for workers and which creates a system which can deliver the skills training that industry will require in the future. We look forward to participating in this process going forward.

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