DISCUSSION PAPER

PRODUCTION OF NOMINAL HOURS FOR TRAINING PACKAGES

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1. Purpose

Purpose of this paper

This paper is a discussion starter and first step in seeking feedback from Industry Skills Councils, State Training Authorities, the National Centre for Vocational Education Research, the Department of Education, Employment and Workplace Relations, Skills Australia and VET Regulators on the production of nominal hours for Training Packages. Stakeholder feedback, in particular responses to the seven key questions put forward in the paper, will inform NSSC considerations on this issue in early 2012 as part of the review of the Standards for Training Package Development.

The purpose of the paper is to explore a potential basis for the consistent development of nominal hours to:

1. better reflect the recording of national vocational education and training effort (Chapter 3);
2. support the implementation of the Australian Qualifications Framework (Chapter 4); and
3. facilitate timely availability of Training Packages post-endorsement (Chapter 5).

While the development of nominal hours as they may relate to government subsidised training or nominal durations of training contracts in apprenticeships are important considerations in the broader context of the VET system, exploration of these issues are outside the scope of this discussion paper (Chapter 2).

How do I respond?

Please provide any feedback or comment by no later than 5pm on Thursday 22 December 2011.

Feedback should be addressed to Mr Luke Behncke and provided via any of the following ways:

By email: luke.behncke@natese.gov.au
By fax: (03) 6216 0359

Please contact Luke Behncke on (03) 9954 2601 if you have any questions or queries.

Next steps

It is intended that the feedback from stakeholders will be considered by the NSSC in early 2012 as part of the broader review of the Standards for Training Package Development included in the NSSC 2011-2012 Work Plan.

Further engagement and communication concerning the production of nominal hours for Training Packages will be provided subsequent to NSSC deliberations.
2. Background and context

The National Skills Standards Council

Since July 2011, new governance and regulatory arrangements have been established for the vocational education and training (VET) sector. Most notably is the establishment of the Australian Skills Quality Authority (ASQA)\(^1\) and the National Skills Standards Council (NSSC)\(^2\).

The role of the NSSC is to develop the standards for the regulation of VET for approval by the Standing Council for Tertiary Education, Skills and Employment (SCOTese), maintain the standards, and advise SCOTese on any issues relating to the standards and their implementation. Once endorsed by SCOTese, the regulators of VET are required to apply and regulate against the national standards.

A key function of the NSSC is the endorsement of Training Packages on behalf of Ministers to ensure that they meet current and future workforce skill development needs. It is also responsible for developing related policy and for the quality assurance of Training Packages.

Nominal hours and Training Packages

Traditionally, nominal hours are used to define a dimension of training and assessment complexity as a measure of VET training effort. Some jurisdictions use nominal hours as a basis for government subsidised training and/or as a tool to determine the nominal duration of training contracts for apprenticeships and traineeships. In this context, nominal hours have a direct relationship to public funding for training and regulation for training contracts. While these are important considerations in the broader context of the VET system, exploration of these issues is outside the scope of this discussion paper.

The former National Quality Council (NQC) evaluated post-endorsement processes for Training Packages in 2010\(^3\) that built on previous work to identify opportunities to ‘streamline’ Training Package development and endorsement to provide greater industry responsiveness to meet skill development needs\(^4\).

Simultaneously, the implementation of the recommendations of the joint COAG/NQC VET Products for the 21st Century project\(^5\) also pursued streamlined Training Package design to increase the responsiveness and usability of qualifications in workforce development.

The NQC’s report on the evaluation of post-endorsement processes identified a number of opportunities where post-endorsement processes could be improved or incorporated into the development process to ‘speed-up’ the availability of Training Packages to the market place. The NQC recommended that the NSSC continue to progress the recommendations from the report, in particular those concerning increasing the efficiency of the production of nominal hours.

It is acknowledged that nominal hours are used for multiple purposes within the national training system, often underpinning or determining key processes that are fundamental to support VET. The NSSC is primarily interested in the production of nominal hours as it may relate to:

1. data standards for nationally consistent reporting of training activity effort or output in the VET system;

\(^1\) See ASQA at [http://www.asqa.gov.au](http://www.asqa.gov.au)
\(^2\) For further information concerning the NSSC visit [http://www.nssc.natese.gov.au](http://www.nssc.natese.gov.au)
2. a potential metric to support ‘volume of learning’ and ‘credit arrangements’ in the Australian Qualifications Framework (AQF) and streamlined design model of Training Packages; and

3. the development process of Training Packages to facilitate timely availability of Training Packages to the market post-endorsement.

Each of these areas will be discussed in the subsequent chapters.
3. Nominal hours and reporting

As a data standard, nominal hours represent a significant (but not the only) measure of output of VET effort to inform various government and industry bodies with responsibilities for VET and workforce development. Also, it can provide learners and training providers with an indication of the effort required in relation to training and assessment for specific qualifications, potentially producing a legitimate viability measure of delivery. Overall, consistency in the development of nominal hours is key to accurately reflect VET activity for the purposes of planning and prioritisation.

Nominal hours’ definition and use for reporting purposes

The National Centre for Vocational Education Research (NCVER) uses nationally agreed nominal hours for the purpose of recording training activity effort or output of the VET system. The recording of nominal hours, as specified by the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS), is defined as:

‘...a value assigned to a structured program of study that nominally represents the anticipated hours of supervised learning and/or training deemed necessary to conduct training/learning and assessment activities associated with the program of study...’

The AVETMISS rules of use specify that:

‘...the value of nominal hours for a program of study must be the value of supervised nominal hours as determined by its accreditation or endorsement body...’

Further guidance is provided by AVETMISS indicating that nominal hours:

- generally represent the anticipated hours of structured supervised training and assessment deemed necessary for the whole program of study, whether or not delivery is within one collection period;
- values should not include any pre-requisites for the unit of competency or module that have previously been achieved. They are allocated assuming a traditional classroom-based delivery and assessment strategy and do not include hours associated with non-supervised work experience, field work, work placement or private study. In instances where a program of study consists entirely of one or more of these components, the nominal hours value must be zero.
- are generally specified in curriculum documentation (non-training package material) or implementation guides associated with national training packages. Hours associated with non-supervised work experience, fieldwork, work-placement or private study are not included.

Assigning nominal hour values using the AVETMISS definition may lead to variable interpretations of some of the specific components of the definition, i.e.:

- What is ‘...traditional classroom-based delivery and assessment...’?
  - For example, where does e-learning or workplace-based learning fit into this scheme?

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7 Ibid
• What is ‘...structured supervised training...’?
  ➢ For example, what is appropriate supervision and who is appropriate to supervise?
• How is the ‘...training deemed necessary to conduct training/learning and assessment activities...’ determined?
  ➢ For example, is it the time taken for a training provider to conduct the training and assessment, or the time taken for the average learner to undertake training and assessment that leads to a competency outcome?

The complexity of units of competency that form qualifications and courses may amplify the variability of interpretation, potentially contributing to inconsistency in the development of nominal hours. Variability may not necessarily mean inconsistency as part of the development process but does need further consideration for the use of nominal hours for the purposes of consistent reporting.

Development of nationally agreed nominal hours

In 2006 the then Commonwealth Department of Education, Science and Training and State Training Authorities agreed on a process by which nationally agreed nominal hours would be assigned to new or revised Training Packages8 for the purposes of nationally consistent reporting. Victoria agreed to take the lead (and eventually accepted sole responsibility) in establishing the nominal hours for all Training Packages and revisions. The agreement was that:

• the development process would operate concurrently with the final stage of getting each Training Package approved;
• it would not be part of the Training Package development and endorsement process and that formal assignment of hours must come after endorsement;
• the lead state would not be required to consult with other jurisdictions. However, comments should be invited on draft hours to inform their establishment; and
• jurisdictions would accept for national reporting the national nominal hours proposed by the lead state but can have purchasing hours that differ from national nominal hours.

Currently, once the endorsed version of the Training Package is received by Victoria it commences development of the Implementation Guide (called the ‘Purchasing Guide’ in Victoria) which incorporates nominal hours. Release of the Purchasing Guide does not occur until public release of the Training Package on the national register. The nominal hours are then shared with other states and territories and the Commonwealth Department of Education, Employment and Workplace Relations for the purposes of nationally consistent reporting. Jurisdictions may then use the Purchasing Guide, in whole or in part, as a basis for their own purchasing or funding arrangements, with nominal hour values often differing significantly between each state and territory as local funding policies are applied.

Victoria defines nominal hours in its Purchasing Guides as:

‘...the anticipated hours of supervised learning or training deemed necessary in order to adequately present the educational material...’9

This definition accords with the intention of the Victorian Purchasing Guide to develop nominal hours for the purposes of government subsidised training. That is, the definition focuses on the

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9 Refer to any of the recent Victorian Purchasing Guides on the Training Support Network website at http://trainingsupport.skills.vic.gov.au
resource impact on the training provider, or the resource support the jurisdiction is willing to provide. Calculation of the time taken to adequately present educational material may not necessarily reflect the time taken to conduct training/learning and assessment activities found in the AVETMISS definition.

The difference in definitions may be significant because nationally agreed nominal hours used for recording VET effort (AVETMISS) are currently based on nominal hours developed for the purposes of one jurisdiction’s purchasing arrangements. This may put at risk the legitimacy of nationally agreed nominal hours as a measure for recording output of the VET system if they are developed from government funding considerations. Training and assessment needs, as it applies to VET, may be quite distinct from government funding policies supporting training provision.

**Accredited Courses and Training Packages**

Both the *Standards for VET Accredited Courses*\(^{10}\) and the *AQTF 2007 Standards for Accredited Courses*\(^{11}\) require that course nominal duration must be specified in hours for the purpose of accrediting a course. The Standards do not provide definitions, references or guidance for developers or accreditation authorities, and it is unclear what purpose the hours serve for Accredited Courses.

While the establishment of nominal hours are required for courses to be accredited it is not a requirement for Training Package qualifications to be endorsed. This highlights a potential inconsistency in the development process between accredited and endorsed materials that are considered together as nationally recognised training\(^{12}\).

Units of competency from Training Packages are routinely used in the development and accreditation of Accredited Courses. The new flexible qualification packaging rules\(^{13}\) allow Accredited Course units to be imported into Training Package qualifications. The lack of definition and guidance for hours in Accredited Courses, combined with flexible arrangements for the importation of units, may present potential inconsistencies in the development of nominal hours between Accredited Courses and Training Packages.

**KEY QUESTIONS**

1. Is the AVETMISS definition of nominal hours for the purposes of reporting appropriate as a measure of VET effort or output? If not, is there a better alternative?

2. Does there need to be consistency between the nominal hours developed for Accredited Courses and Training Packages, or are there significant differences that need to be maintained?

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4. Nominal hours and the AQF

As a dimension of training and assessment, nominal hours may provide a metric to support verification that the duration of qualifications correspond to the typical ‘volume of learning’ under the Australian Qualifications Framework (AQF). It may also enable more specific credit arrangement negotiations to support learner pathways.

Volume of Learning

The revised AQF\textsuperscript{14} has been recently introduced (1 July 2011) as a taxonomic structure of levels and qualification types each of which is defined by a taxonomy of learning outcomes. The design is to enable consistency in the way in which qualifications are described as well as clarity about the differences and relationships between qualification types.

The AQF contains a new element – ‘volume of learning’ – that is an integral part of the descriptor for each qualification type, and is defined as:

‘...a dimension of the complexity of a qualification. It is used with the level criteria and qualification type descriptor to determine the depth and breadth of the learning outcomes of a qualification. The volume of learning identifies the notional duration of all activities required for the achievement of the learning outcomes specified for a particular AQF qualification type. It is expressed in equivalent full-time years...’\textsuperscript{15}

For example, the volume of learning of a Certificate I qualification is identified as typically 0.5 – 1 year. For a Diploma qualification, the volume of learning is identified as typically 1 – 2 years.

The definition is unclear on what constitutes ‘...all activities...’ in relation to the quantum of learning needed to meet learning outcomes of the qualification. A pragmatic approach would suggest that only those learning activities that are directly related (i.e., structured learning) to meet the learning outcomes should be included. A more liberal interpretation may present difficulties in defining duration parameters if activities not directly associated with the learning outcomes are included.

Volume of learning and nominal hours share a common dimension in relation to describing the ‘typical’ or ‘nominal’ duration of learning or training activity, but differ in relation to the scale of description. Volume of learning describes the typical duration at the qualification level, while nominal hours are specified at the unit of competency level. The combination of units and their associated nominal hours that form qualifications may provide a convenient metric to support verification that the ‘duration’ corresponds to the typical volume of learning in the AQF. It could provide additional confidence to accreditation and endorsing bodies that the qualification(s) submitted for accreditation or endorsement adequately address the volume of learning descriptor of the AQF.

KEY QUESTION

3. Could nominal hours provide a potential metric to support compliance with the ‘volume of learning’ descriptor in the AQF and assist consistent development of qualifications?


\textsuperscript{15} Ibid
Pathways and Credit Arrangements

A key focus of the AQF is policy supporting qualification pathways. This is underpinned by the following principles that:

- are clear and transparent to students;
- are systemic and systematic;
- enable flexible qualification pathways;
- may be horizontal across AQF qualifications at the same level as well as vertical between qualifications at different levels;
- can facilitate credit for entry into, as well as credit towards, AQF qualifications; and
- eliminate unfair or unnecessary barriers for student access to AQF qualifications.

Issuing organisations (training providers), qualification developers and accrediting authorities (such as the NSSC) are required to have policies and processes that facilitate and promote qualification pathways. The AQF provides significant flexibility on how this might be achieved from ‘individual’ negotiated credit arrangements between specific qualifications to ‘general’ credit arrangements across qualification levels.

The AQF pathways policy outlines that credit agreements negotiated between issuing organisations for students towards qualifications at any level (vertical or horizontal) are required to take into account the comparability and equivalence of, among other things, the volume of learning. Additionally, credit arrangements negotiated between issuing organisations for students towards higher level AQF qualifications in the same or a related discipline use a volume of learning approach as the basis of negotiations, such as:

- 50% credit for an Advanced Diploma or Associate Degree linked to a 3 year Bachelor Degree;
- 37.5% credit for an Advanced Diploma or Associate Degree linked to a 4 year Bachelor Degree;
- 33% credit for a Diploma linked to a 3 year Bachelor Degree; and
- 25% credit for a Diploma linked to a 4 year Bachelor Degree.

The use of nominal hours as a verification tool for the volume of learning descriptor for qualifications might also provide a more specific metric to support negotiated credit arrangements. This could be particularly relevant to the introduction of streamlined Training Packages.

Over the next three years Industry Skills Councils (ISCs) are required, as part of their continuous improvement activity, to update their Training Packages to align with the new streamlined design model. The model, which was endorsed by the NQC in December 2010, is intended to make Training Packages simpler, shorter and more consistent so that they are easier to understand and use.

The NSSC has commenced work to review the Standards for Training Package Development (that includes the review of the Training Package Development Handbook and Training Package Development and Endorsement Process) to incorporate the new streamlined design model and related policies. This work will be completed by mid 2012. One of the key components to the streamlined design model is ‘Credit Arrangements’. This component is expected to identify specific credit arrangements between Diploma and Advanced Diploma qualifications with relevant Higher Education qualifications. There may be an opportunity to utilise nominal hours as a mechanism to support the specification of credit arrangements.

### KEY QUESTION

4. Could nominal hours provide a potential mechanism to support the credit arrangements in the AQF and streamlined Training Packages?
5. Nominal hours and Training Package development

Nominal hours’ development and Speed to Market of Training Packages

The NQC’s *Speed to Market of Training Packages* report\(^\text{16}\) made six recommendations to support timely post-endorsement processes to ‘speed-up’ Training Package availability to industry and the VET system. A key recommendation was made in relation to increasing efficiency of the production of nominal hours, with suggested options including:

- a specific jurisdiction formally adopting the role on behalf of the system through an agreement with the NQC or its successor. It would consider:
  - whether availability of some resources under such an agreement might enable the process to commence earlier; and
  - whether a feasible target timeframe can be agreed for completion of nominal hours following release on the national register.
- a role for the ISCs to provide advice during the development and endorsement process about nominal hours for the purposes of national reporting that can be used by jurisdictions as the basis for the development of purchasing arrangements.

Supporting this recommendation were several critical observations that concluded that:

- there were strong and divergent views on the issue of where responsibility should lie with the development of nominal hours among stakeholders:
  - on the one hand nominal hours are the mechanism for reporting on training activity effort and responsibility for delivery clearly rests with STAs.
  - on the other hand ISCs are increasingly being asked to provide industry advice to support quality implementation of their products so they are moving into this space.
- the link to funding is definitively an STA issue.
- nominal hours will need to be uncoupled from the nexus with funding and purchasing:
  - it was clear from many stakeholder comments that nominal hours were seen as more about funding than about their primary purpose of reporting.
  - the current agreement is that nominal hours will not impact on STAs’ resourcing arrangements with training providers and that STAs may have purchasing hours that differ from nominal hours. These agreements would need to continue under any new arrangements.
- the only purpose for shifting responsibility would be to improve speed to market and provide more certainty in relation to implementation.

Nominal hours’ development and the new governance environment of VET

Almost a year on from the recommendations of the NQC report, there are a number of reasons to improve the consistency and timely development of nominal hours – these include:

1. The establishment of the NSSC and its focus on standards for VET regulation, particularly monitoring the implementation of standards. Nominal hours are a data standard for the purposes of reporting VET effort;

2. Further development and implementation of the streamlined designed model of Training Packages with its emphasis on:

a. greater specification on endorsed ‘Assessment Requirements’ that includes a ‘frequency and volume’ dimension, potentially providing a legitimate place for nominal hours.

b. endorsed ‘Credit Arrangements’ between Diploma and Advanced Diploma qualifications with Higher Education qualifications. In light of AQF flexibility, it identifies a need to find additional mechanisms or policies to support specific credit arrangements between VET and Higher Education.

c. non-endorsed ‘Companion Volumes’ that provide specific implementation advice for training providers concerning training and assessment, potentially providing a legitimate place for nominal hours.

3. Review of the Training Package Development Handbook to reflect the streamlined design model and other inter-related policies that will produce new *Standards for Training Package Development*. It provides a potential place for nominal hours as a standard for identifying training and assessment effort.

4. Anticipated review of the *Standards for Accredited Courses* that will need to align with the new *Standards for Training Package Development*. Provides an opportunity for better consistency in nominal hour development across nationally recognised training.

5. Implementation of the revised AQF and its focus on pathways and credit arrangements, and volume of learning. It provides a potential place for nominal hours as a metric or mechanism to support the AQF.

The range of convergent agendas impacting the design and development of Training Packages (and Accredited Courses) in the short to medium term places much more responsibility on ISCs in the development of specific implementation advice concerning training and assessment. Subsequently, there is greater support for ISCs to develop nominal hours as a metric in defining the complexity of training and assessment as part of Training Package development.

Skills Australia has highlighted the frustrations of industry and training providers concerning the difficulties with consistent and timely delivery of qualifications related to nominal hours. In its paper, *Skills for Prosperity: a road map for vocational education and training* it recommends that:

‘...Australian governments agree that industry skills councils, as part of the training package development and endorsement process, advise on the nominal hours of training required for qualification delivery in the interests of national consistency and qualification integrity...’

A potential benefit of this shift in responsibility is the release of nominal hours simultaneously with the release of endorsed Training Packages. This may:

- alleviate the national training system’s dependence on Victoria to develop the nominal hours post-endorsement, and, by default, increases timely availability of Training Packages to the market;
- build ISC capability in developing consistency of nominal hour production for the purposes of recording VET effort;
- provide an opportunity for ISCs to potentially utilise nominal hours as a mechanism to support volume of learning for the development of qualifications against the AQF, and as a potential mechanism to support pathways and credit arrangements in the AQF; and

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• still provide a basis for jurisdictions to determine their purchasing/funding arrangements.

There are obvious resource and technical implications in assessing viability to potentially adopt this function as part of ISCs’ responsibilities in providing quality training products and implementation advice. ISCs are not funded to develop nominal hours by the Commonwealth Government and any such move would need to be predicated on negotiated arrangements. It is also not clear what role the NSSC may take with respect to the development of nominal hours as a standard – i.e., is there a need to specify additional criteria or processes above that of the AVETMISS definition to support ISC development of nominal hours? These and other related issues will need further exploration before a definitive recommendation could be made.

**KEY QUESTIONS**

5. Should ISCs take responsibility for the development of nominal hours on behalf of the national training system? What are the benefits and barriers?

6. Could nominal hours become a standard in the endorsed components, or placed in the non-endorsed components for streamlined Training Packages?

7. What role should the NSSC play in nominal hour development and endorsement?
6. Key questions

Below are the key questions from the discussion paper where the NSSC would appreciate responses. However, these questions should not be seen as definitive or exhaustive but rather as a way to stimulate further questions and discussions. Additional comments and feedback are most welcome.

1. Is the AVETMISS definition of nominal hours for the purposes of reporting appropriate as a measure of VET effort or output? If not, is there a better alternative?

2. Does there need to be consistency between the nominal hours developed for Accredited Courses and Training Packages, or are there significant differences that need to be maintained?

3. Could nominal hours provide a potential metric to support compliance with the ‘volume of learning’ descriptor in the AQF and assist consistent development of qualifications?

4. Could nominal hours provide a potential mechanism to support the credit arrangements in the AQF and streamlined Training Packages?

5. Should ISCs take responsibility for the development of nominal hours on behalf of the national training system? What are the benefits and barriers?

6. Could nominal hours become a standard in the endorsed components, or placed in the non-endorsed components for streamlined Training Packages?

7. What role should the NSSC play in nominal hour development and endorsement?