Review of the role and function of Tasmania’s public VET Providers

ACPET submission

March 2012
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Part A – Introduction

Established in 1992, the Australian Council for Private Education and Training (ACPET) is the national industry association for private providers of post-compulsory education and training. ACPET has 1,100 members nationally delivering a full range of higher and vocational education and training (VET) and English language courses across all states and territories.

ACPET’s mission is to enhance quality, choice, innovation and diversity in Australian education and training for individual, national and global development. It represents a range of private providers, including commercial and not-of-profit entities, community groups and industry and enterprise-based organisations. ACPET works with governments, education and training institutions, industries, and community organisations, to ensure vocational and higher education and training services are well-targeted, accessible, and well-delivered with courses of high quality, and providing for choice and diversity. As the peak body for private providers, ACPET is committed to ensuring that its policies, products and service contribute to an inclusive tertiary education system.

ACPET prides itself on its reputation in providing a balanced view in regards to VET reform agendas to governments and key stakeholders, which have systematically been considered by the various States and Territory governments. For example, in February, ACPET was invited to present at an ACCI Roundtable, with representatives from each jurisdictional Chamber of Commerce and Industry together with other peak industry associations.

In turn, ACPET welcomes the opportunity to support shaping Tasmania’s VET landscape, by this submission into the Review of the Role and Function of Tasmania’s Public VET Providers. ACPET believes that the government cannot consider the role and function of its public providers in a vacuum – in particular when there are currently over 100 private Registered Training Organisations (RTOs) registered in Tasmania, servicing local industry and communities across all regions. In response to demands from users (employers, and individuals as intending students), the number and diversity of non-public providers has grown greatly over two decades. Contestability of rising proportions of State Government funding for VET has both recognised the importance of this expansion and facilitated service innovation on mainland Australia.

Private training institutions are now arguably the ‘engine room’ of the Australian training sector. However, the contribution of the many private providers is under-acknowledged and invisible because much of their training delivery (including workforce development with enterprises) is fee-for-service rather than publicly funded. Statistical collections generally focus on training funded by Governments.¹ This anomaly is similarly reflected in Tasmania’s VET system. ACPET believes that there is potential for Tasmania to achieve even stronger returns by harnessing the vigour of private providers to lift overall VET education and training provision and participation.

ACPET’s Tasmanian members deliver a range of training courses, with the Top 5 areas covering the following industries of importance to the Tasmanian economy:

- business, finance and accounting
- service industries such as children’s services and aged and health care services

- tourism and hospitality, and
- retail.

ACPET members also have expertise in delivering high quality foundation skills training as well as servicing high need learners, in particular the unemployed, people with disabilities and disengaged youth as well as niche markets.

ACPET’s submission has been prepared, taking into consideration the views expressed by private RTOs during a series of private RTO consultations organised by ACPET in both Hobart and Launceston during February, attended by over 35 RTO representatives (refer to Appendix A). ACPET wishes to recognise their valuable and important contribution.

It was also influenced by:

- the Coalition of Australian Governments’ (COAG) national VET agenda. COAG together with State Governments in their jurisdictions, as well as industry groups, are investing in change programs to substantially lift workforce participation, worker productivity and capacity to meet future needs
- the Tasmanian Government’s Economic Development Plan\(^2\)
- the Tasmanian Skills Strategy 2008-2015\(^3\) and related performance targets and results, as recently published in the Tasmanian Skills Strategy Report Card, and
- the experiences of the Victorian VET reforms in shaping a more responsive and efficient training system, given that Victoria is more advanced than other States and Territories.

Throughout this submission there are five underlying principles. ACPET asserts that these underpin a road map to deliver greater efficiency, effectiveness and equity for Tasmania’s VET system. ACPET considers that these principles must be equally applied to all training providers, both public and private, to ensure success. These principles are:

- increased student choice will promote greater responsiveness in the education market, enabling learning to be tailored to the diverse needs of individuals
- supporting enterprise to invest in knowledge and skill development of their existing and future workforce will increase capability and productivity
- structural separation will promote the efficient use of public funds, through better transparency, increased competition and clearer incentive
- improved quality and performance of all professional staff underpins greater quality and accountability of service provision to students, and
- fair and equitable regulation will better preserve the desired standards for quality in learning outcomes and viability of the institution.

\(^2\) State Government, Economic Development Plan, released 2011
\(^3\) Skills Tasmania: The Tasmanian Skills Strategy 2008 - 2015
ACPET understands there is a history of Tasmanian public VET investment, delivery and public roles, and public institutions’ recognition in the community for quality education and training, to consider. However the opening of the VET marketplace in the various jurisdictions has demonstrated positive change and stronger user outcomes. Private providers are delivering responsive, effective and quality training, as verified through regulatory audits, market feedback and rising custom by individuals and employers. For example, overall satisfaction levels from students studying at private and public providers were identified as similar by the NCVER: 89.4% for students studying at private providers and 90.6% for students studying at public providers. Frustratingly, the private sector is largely locked out of access to public infrastructure and resources. At the same time, public VET infrastructure is large and well developed, funded by tax payers and with up-to-date facilities that are often under-utilised. ACPET suggests that functional separation between infrastructure and service provision be accompanied by greater sharing of public resources and infrastructure with the private sector through public-private arrangements.

ACPET acknowledges the efforts of the Tasmanian Government in reviewing the role and function of Tasmania’s public VET providers, and welcomes the opportunity to respond to the questions raised in its Review Paper.

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4 NCVER Student Outcomes Private Providers Tasmania, released Dec 2011
PART B: Key consultation questions

B1. General

Strength in public provider equipment and facilities

When asking the question, ‘what do you consider as the key strength of the public providers in Tasmania’, the participants who attended ACPET’s consultation unanimously agreed that it was the public providers’ equipment and facilities. They all acknowledged Government’s strive to provide state-of-the-art training environments for all Tasmanians, regardless of their location, and appreciated the sizable investment allocated to achieve this goal. The public infrastructure is large and well-developed, funded by public tax payers which have up to date facilities. However these facilities remain closed or under-utilised on evenings and week-ends. The private sector would like to share these facilities. Public providers receive large Government funding for its infrastructure, which the private sector cannot access. ACPET therefore is calling for a functional separation between infrastructure and service provision to promote equal access to infrastructure and/or infrastructure funding.

ACPET suggests that functional separation between infrastructure and service provision be accompanied by greater sharing of public resources and infrastructure with the private sector through public-private arrangements. Access to public infrastructure through cost recovery and other innovative mechanisms would strengthen private-public collaboration in the education sector, enhance the education experience for practitioners and students, promote efficiency and reduce wastage arising from duplication. ACPET believes that structural separation between purchasers, owners and regulators within the industry may be achieved through publicly funded infrastructure such as libraries and classrooms to be made available to public and private enterprises at cost recovery.

If access can be opened, however, to resources and infrastructure sharing, with appropriate incentives and support to be able to provide more for broader community needs, there is no reason why the burden cannot be spread more broadly across the public and private sectors. There already exist many examples of resource sharing between educational institutions and there is no reason why this model could not be extended with more public-private partnerships and the development of communities of practice. This model has already amply demonstrated, through the public school/ACE sector sharing arrangements in Sorell High School, how this can be done. There is therefore potential for funding to be more efficiently and innovatively allocated in a way that maximises resource and infrastructure use, reduces wastage and bureaucratic inefficiency and “silolation” of effort.

The ‘TAFE’ Brand

Without a doubt, the public Technical and Further Education (TAFE) remains one of the most recognised and understood brands by all consumers across Australia. Attendees of the ACPET consultation were therefore confused as to why the Tasmanian Government had opted to split the public TAFE provider and dilute the brand into the lesser understood Skills Institute and Polytechnic.

When asked to describe the differing roles of these two institutions, the attendees were not able to articulate them easily and also commented that, in their view, Tasmanian enterprises and communities also share similar levels of confusion.
ACPET believes that the Tasmanian Government must support consumers to understand the merits of its existing and wider VET sector - made up of public and private providers. Arguably, the question should not be on how to better manage future public perception of the Tasmanian public sector, but how to manage future public perception about Tasmania’s total VET sector as one that offers increasing opportunities and capitalises on local advantage.

**Better Engagement with Industry - Public Funding Support for Workforce Capability Development**

In the recently released NCVER Report on the performance of private RTOs across Tasmania in 2010, the most common fields of education delivered by private RTOs were:

- Management and Commerce (66.3%)
- Engineering and Related Technologies (14.6%), and
- Agriculture, Environmental and Related Studies (8.2%).

These sectors closely align to the industries identified as of importance in the State’s *Economic Development Plan*, and directly support the facilitation of trade and investment attraction to Tasmania, a key priority of the Plan.

ACPET supports partnership approaches across Government, industries, enterprises, training providers and individuals to enhance skill development for the Tasmanian workforce. A formula which capitalises on all stakeholders’ interests could be considered. For example, where the training is as a result of an identified workforce need by a particular enterprise, the enterprise may also be required to contribute. Key elements could be that:

- enterprises are encouraged to co-invest with individuals and Governments where the enterprise accrues some of the benefits; and
- investment by the enterprise in workforce capability development is commensurate with the size of the enterprise.

**Servicing Niche Markets**

One of the strengths of private providers, as identified by the Australian Industry Group, is the high service levels provided to business enterprises, particularly in specialist sectors. Where Tasmania’s public institutions are centred in Tasmania’s three main cities, they are ample case studies of private providers servicing niche markets across Tasmania. With a more nimble infrastructure than the public providers, private providers are efficiently servicing enterprise needs, at times with no or minimal public funding. ACPET recommends that private providers’ efforts in servicing niche markets are acknowledged and further capitalised by government. For example, the Tasmanian Government has identified seafood (aquaculture) as an industry of significance and a priority for the State. This flows on to prioritising seafood (aquaculture) in the allocation of public funds for VET programs. As Seafood Training Tasmania is the largest RTO operating in this area, with 80% of enrolments across Seafood & Maritime, this private provider is playing a significant role in a niche market of economic importance.

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5 NCVER Student Outcomes Private Providers Tasmania, Dec 2011
Case Study: Seafood Training Tasmania

Tasmania is Australia’s largest producer of seafood with 2010 production valued at $564m together with a rapidly growing niche aquaculture sector. In late 2009, Seafood Training Tasmania (STT) was approached by Australia’s second largest aquaculture company, Huon Aquaculture Group, to help them with staffing and training for their new processing plant in North West Tasmania. This involved a move of production from South East to North West Tasmania. Over the next few months, a workforce plan was developed to support the flow of trained staff ready for employment when the new plant opened. Working with a local AAC and group training company, 25 recently retrenched workers undertook a pre-apprenticeship program and were offered employment at the plant. To meet the high export quality standards, Huon Aquaculture Group signed the workers into a Certificate III in the Seafood Industry (Aquaculture) traineeship. Today, 22 of the initial trainees have completed the traineeship and remain employed in this specialist and niche market.

Better Supporting the Most Disadvantaged

The steadily evolving pattern of education and training delivery in Tasmania, as in other jurisdictions, reflects the overall high quality of education and training and services delivered by private providers, often without adequate public funding for disadvantaged students. Strong service delivery has underpinned the growth of private education and training provision in such competitive, ‘word-of-mouth’ marketplaces. The steady evolution of such patterns indicates a healthy response to on-the-ground market realities, complementary to a vigorous public education sector. ACPET believes that the Tasmanian Government must also harness this opportunity and gain improved responsiveness and efficiencies within the Tasmanian VET sector. For example, early indications of the VIC training arrangement, where both public and private are offering the same access to a government funded place, are that the demand-led system is creating more opportunities for Victoria’s disadvantaged communities to develop vocational and job-ready skills, with a 26% increase in enrolments from culturally and linguistically diverse students, 22% increase from students with a disability and 24% increase from students aged between 15 and 19 years, who did not complete Year 12 or higher.

As one attendee at the ACPET consultation in Hobart commented, private providers offer “a learning environment rather than a training environment”, which is more conducive to servicing the needs of a disadvantaged learner. This ‘learning environment’ is packed with additional support services, such as 1:1 tutorial support and high levels of pastoral care.

And the results are self evident. When asked about the value of the learning experience, of the 2010 graduates studying at private providers:

- 61.5% believed that the training improved their written communication
- 71.5% believed that the training developed their ability to plan their own work, and
- 74% believed that the training helped developed their ability to work as a team member.

It is important that public funding levels recognise the need for quality in training (including effectiveness and usefulness). This is vital for disadvantaged individuals venturing into training pathways. The challenge is to achieve quality meaningful outcomes for all students, whether they are

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enrolled at public or private institutions. Flexible support services and possibly enhanced funding are necessary to improve workforce participation rates for disadvantaged and disengaged individuals. ACPET is of the view that this would generate clear dividends on budget investment in terms of increased participation and reduced income and other support payments.

The higher costs of additional and expert attention to achieve skills outcomes for high need learners need to be recognised in student and provider funding arrangements, regardless of whether it is allocated to the public or private provider. Funding models need to take into consideration the cost of the provision of ‘soft’ skills and support to students who experience difficulties in the learning process or who come from disadvantaged backgrounds. Whilst this may be a funding challenge, it would provide real benefits in ensuring that students receive the highest quality learning environment.

Contestability for a greater share of public funds would mean that the private sector could expand its delivery of skills training to disadvantaged students, particularly in rural and remote areas, as student demand increased. Such expansion would be supported by providers’ harnessing the significant possibilities offered by the National Broadband Network (NBN), allowing for innovative teaching and learning models that provide greater accessibility to education and training and promote learning success. It would in turn, support achieving *Tasmania’s Skill Strategy* participation targets.

### Case Study: MEGT Institute

MEGT Institute delivers the *Skills Potential Program*, an interactive program specifically tailored for students with an intellectual disability. Students undertake the Certificate I in Retail, incorporating LLN training and work placements in a highly supportive environment. Students can then articulate into the tailored Certificate II in Retail, based on the same model. One Certificate II student, Marty, graduated from the program and increased his employment status to full time by increasing his responsibilities and achieved his goal of obtaining a socially valued role. Marty went on to win the Skills Tasmania 2011 *VET Equity Student Award*. Marty continues to be involved in the *Skills Potential Program* motivating the *Skills Potential Program* students by sharing his experience.

### Lifting Literacy and Foundation Skills across Tasmanian Adults & Families

Foundation skills are broadly recognised as being at the heart of productivity. To properly address disadvantage related to inadequate foundation skills, ACPET urges the Federal Government to ensure that funding supports new models of collaboration and flexible use of resources across public and private providers, so as to take place on a systematic and streamlined basis. The marked increase in private provider enrolments of students from disadvantaged backgrounds in Victoria since the implementation of VET reform, as well as existing evidence under current and previous funding models elsewhere in Australia, demonstrates the need for these choices to be matched by appropriately allocated and shared resources and infrastructure.
As underpinning lifelong enabling skills, foundation skills are an essential learning need that requires additional services to be administered by the provider. These services are funded within the public education and training sector through additional weighting and infrastructure formulae. ACPET strongly believes that the current funding levels for the private sector do not adequately support these services and that there needs to be a more realistic and equitable funding model to better support students who choose or are sent to study at a private institution. ACPET’s position is that public providers should not be expected to be the place of ‘last resort’ for foundation skills skilling and service. This is an effort that needs to be consistently spread across the education and training sector. Again, keeping in mind the responsiveness and success rate of the private sector in meeting industry need, redressing the current imbalance through appropriate funding mechanisms would maximize efficiency, allowing private providers to apply their ability to be flexible, innovative and efficient around educational outcomes. This would also remove undue pressure from public providers around foundation skills provision and services, as well as providing a stimulus for their own provision, business models and programs to be more effective and efficient.

Case Study: Work and Training

Josh, a young trainee at the Tasmanian Small Business Council, had some significant issues with failing to complete his traineeship training modules and required a great deal of support and encouragement. Since commencing the supplementary Success Pathways (a Work & Training Literacy Program), Josh has started displaying signs of improved self confidence. Previously, Josh would pretend that he understood what was being asked of him and that he was capable of completing the work. Now Josh readily accepts assistance to improve his literacy and readily admits when he doesn’t understand a question. Josh has acknowledged that if he had not received the additional literacy support, he would not have been able to complete his traineeship.

Supporting Real Job Outcomes

In the recently released NCVER Report on the performance of private RTOs across Tasmania in relation to students who completed a qualification in 2010, it is noteworthy that of the graduates:

- 84.8% whose main reason for undertaking training was ‘employment related’ were in employment post-training
- 82.9% who commenced training within 12 months of leaving school were employed after its completion, and
- 46.9% who were not employed before commencing training, found work after their training was completed (21.3% in a full-time job).

Of the graduates, who did not have a job when they completed their training, but who found employment afterwards:

- 68.0% found a job within three months of finishing their training
- 11.4% took between four and six months, and
- 20.6% took more than six months to find a job.

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9 NCVER Student Outcomes Private Providers Tasmania, Dec 2011
Furthermore, the nature of the post training employment indicates that of the graduates:

- 64.5% were in paid full time employment after training and 33.5% working part time, and
- 69.9% of employed had permanent jobs while 23.1% were employed on a casual basis.

Insofar as employment within key equity groups is concerned, after training:

- 78.0% of female graduates were employed
- 64.4% of those who speak a language other than English at home were employed, and
- 46.3% of those with a disability were employed.

### Case Study: Campbell Page

Campbell Page provides a wrap around vocational training, job readiness and employment placement service, with a focus of supporting Moonah’s long term unemployed and early school leavers. All VET courses have a practical placement component, which provides exposure to the workplace. In 2011, and as a result of the individualised and pastoral care offered to all its students, Campbell Page has successfully trained and placed:

- 30 long term unemployed students into jobs within local early education centres in Hobart and regional locations, and
- 14 long term unemployed into aged care facilities in Hobart and regional locations.

Already in 2012, a further 5 long term unemployed students have been placed into jobs within the children’s services sector.

### B2. GOVERNANCE AND OPERATIONAL ARRANGEMENTS

TAFE governance changes are essential to increase autonomy and accountability equally. Clear public returns should be expected from differential costs associated with public ownership. The future could well depend on different models, and the flow of public funds should facilitate emergence of these models. ACPET advocates full contestability where competitive neutrality principles operate, and keeping an open-mind on mix of public and private provision.

Currently Skills Tasmania, a statutory authority, has the legislated function to purchase VET from public and private RTOs. It is ACPET’s view that this arrangement must continue in order to ensure impartial and independent purchasing decisions.
B3. THE CONTEXT OF COAG

ACPET is a strong advocate for the timely and robust implementation of the skills reforms agreed to by Coalition of Australian Governments (COAG). The implementation of a demand-driven system with greater contestability of funding is a key component of the national VET reform agenda. ACPET believes that within agreed cost parameters, the Tasmanian Government should support individuals in their choice of training provider and should not limit individual choices through funding decisions based on the presumption that any one provider type has pre-eminent rights to the ‘ownership’ of education – which exists in the public domain – and to exclusive rights over education provision.

A central thrust of this submission is ACPET’s advocacy for the implementation of a robust, consistent, demand-driven model for VET in Tasmania to achieve the targets of the national VET reform agenda and secure its prosperity, following the lead of Victoria and underpinned by strategically focused, Federal and State based funding.

ACPET supports COAG’s National Agreement for Skills and Workforce Development. It reinforces that there should be increased student choice to promote greater responsiveness in the VET market, enabling learning to be tailored to the diverse needs of individuals to make informed choices:

- every citizen has an opportunity to acquire knowledge and skills through tertiary education, to better enable them to gain meaningful employment
- Government has a responsibility to ensure public funding to support the national interest, and
- individual choice is enhanced by a diversity of supply.

B4. PATHWAYS TO HIGHER EDUCATION

The Australian Qualification Framework (AQF) national policy framework brings all of Australia’s education and training qualifications into one comprehensive structure which underpins the Australian qualification system. It provides for national recognition and a consistent understanding across all jurisdictions of what defines each qualification type. The AQF supports the development of pathways which provide access to qualifications and assist people to move readily between different education and training sectors, streamlining educational pathways and reducing duplication and wasted effort.

However, pathways arrangements are consistently undermined by the formation of barriers arising from the complexity of articulation arrangements, cost and lack of inter-sectoral dialogue. The development of arrangements is also time consuming and costly. Of the attendees at the ACPET consultations, only one private VET RTO has a current formal arrangement with a higher education provider – a statistic that is alarming.

It is noted however that in 2011, the Tasmanian Office of Tertiary Education (TasOTE) was established in Skills Tasmania to provide a central point for handling the State Government’s functions and operations relating to tertiary education. ACPET commends the government for TasOTE’s establishment and its major focus on supporting a more interconnected tertiary education sector and partnership development between tertiary education, Tasmanian industry and State
Government. ACPET urges TasOTE, together with the Tasmanian Articulation and Credit Transfer Committee (TASACT), to be more proactive in supporting the establishment of improved and seamless pathways between local VET and higher education institutions.

**B5. OPPORTUNITIES FOR YOUNG TASMANIANS**

As previously highlighted, any training entitlement should open access to VET for a wider range of Tasmanians, but particular investment will be needed to support public and private providers in maintaining quality teaching and care systems to assure successful outcomes for certain groups, in particular, young Tasmanians. The Dusseldorp Foundation has studied unemployed youth, and notes for instance, that while the Australian economy offers incentive to work, training systems have raised barriers: “it is more of a mixed picture ... when considering the detail of how well our education and training pathways are organised, and the quality of work-based learning opportunities, safety nets (for those at risk), information and guidance, and transition processes”\(^\text{10}\). The higher costs of special attention for this cohort to achieve skills outcomes need to be recognised in student and provider funding arrangements.

As previously highlighted\(^\text{11}\), an impressive 82.9% of school leavers, who commenced training within 12 months of leaving school, were employed after completing a qualification with a private RTO.

With a small and regional labour market, generating more local job opportunities, through traineeships and apprenticeships, for Tasmanian youth must become a high priority for Government. It is of concern that whilst apprenticeship commencement numbers have steadily increased on mainland Australia, they have decreased in Tasmania\(^\text{12}\). However it is worthy to note that there was a higher completion rate from apprentices and trainees studying at private RTOs (37.1%) than across the total Tasmanian VET system (20.7%)\(^\text{13}\).

Access to improved information about the broader Tasmanian VET sector is an essential strategy, to support informed choices by Tasmanian youth. A ‘one-stop-shop’ for training information and support is announced In the *Tasmanian Strategy 2008 – 2015*. ACPET urges the Government to progress this initiative, as the results will be as beneficial to young Tasmanians as they will be to the wider community.

\(^\text{10}\) Dusseldorp Foundation, *It’s Crunch Time, Raising Youth Engagement and Attainment*, 2007
\(^\text{11}\) NCVER *Student Outcomes Private Providers Tasmania*, Dec 2011
\(^\text{13}\) NCVER *Student Outcomes Private Providers Tasmania*, Dec 2011
B6. EFFICIENCY AND EFFECTIVENESS

Realistic Levels of Funding
ACPET believes that the education and training market should be properly funded so that the load of delivery in thin and niche markets, and to disadvantaged students, may be distributed equally across private and public providers. ACPET strongly advocates for robust measures and a well resourced regulatory system to be in place to ensure quality and value for money.

Employer’s Choice
A large proportion of VET is now delivered to meet employer, employee and future worker needs through arrangements with private RTOs, as noted by Heather Ridout, CEO, Australian Industry Group (AiGroup): “... so many of our members go to private providers because they have more of the flexibility to actually come and deliver the way companies want it (training) delivered.”

Case Study: Avidity Training and Development
Avidity Training and Development was approached by the Tasmanian Builders Association to deliver the Certificate IV Building and Construction (Building) as the public provider was seen as not meeting the needs of industry in Northern Tasmania. As a consequence this provider is working in an auspicing arrangement to provide a quality product delivered by the industry at times and locations to suit industry needs.

Private providers are strongly customer focussed and adept at designing services to meet a mix of needs including capacity development within workplaces. In shaping new policy to support employers, it is vital that employers be able to choose from services offered by all types of providers. ACPET believes that the Tasmanian Government should, and can, meet all its objectives as long as there is a rational and equitable platform of Government funding, that supports industry and enterprises to train and up-skill their workforce, balanced by a platform that provides foundation and job readiness training for the more disadvantaged community members. This position must however maintain user choice and preference as its key enabler, where private and public providers are treated equally as suppliers of training services.

The progressive opening of the VET marketplace, including by contestability of funding, has spurred innovation and efficiency in both public and private providers – as seen in the following extract from a study commissioned by the AiGroup:

“A number of employers say that there are examples of excellence in services provided by specific institutions in both the TAFE and private provider sectors, but that this is not consistently the case. Overall, around 65% say that they are satisfied with TAFE services, and a similar proportion is satisfied with private provider apprentice training. A higher proportion is satisfied with private providers for non-apprentice training. Private providers are rated higher by employers than TAFE on all more detailed criteria except cost ..... although the gap between employers’ views of private providers and TAFE has narrowed over time, with TAFE now more responsive and private providers

more affordable than in 1998. Low proportions of employers regard training by TAFE and private providers as world class, with a high proportion (around half) neutral on this issue. Substantially more do not regard TAFE apprentice training as world class (33%) than do regard it as world class (20%).”

Case Study: Industrylink

In October 2011, Industrylink was approached by students who had been studying their 3rd year Cookery apprenticeships with one of Tasmania’s public providers. Although eligible to qualify during the summer upon completion of a small number of remaining Units, the public provider postponed the course until April, due to the small number of apprentices. Industrylink arranged special workshops for these learners, with individual and small group sessions, scheduled around the needs of the businesses. All apprentices completed and qualified within the original timeframe, and in preparation for the busy hospitality season. Despite the fact that the group was only a handful of students at the busiest time of the year, Industrylink was able to demonstrate flexibility to find creative ways to meet the needs of the learners and employers at a time that suited them.

Individual Choice is enhanced by a Diversity of Supply

ACPET supports the promotion of the efficient use of public funds through better transparency, increased competition and clearer incentives:

- all funding should be contestable equally by public and private institutions
- funding should be based on full cost of delivery, and
- there should be functional separation between infrastructure and service provision to promote equal access to infrastructure and/or infrastructure funding (refer to B1, Strength in Public Provider Equipment and Facilities).

This would ensure that:

- more choice for all students and employers is created by reducing course costs and helping institutions to compete and participate in the market, and
- diversity and quality of VET institutions are not disparaged, especially in a policy environment where providers have to adapt to considerable, rapid and continual change. Quality and implementation of policy imperatives are not served by inequitable policies.

Also, redressing this imbalance would maximize the efficiency of budgetary allocations, as it would enable private providers to build on their successes and reduce overall current budget pressures, achieving maximum efficiency around educational outcomes across the wider Tasmanian system.

There is also scope for enterprises to contribute to the training and re-training of their employees, where apprenticeships and traineeships are not a suitable arrangement. Further comments are made below.
B7. IMPACT OF CHANGE

Access to Improved Information
ACPET is aware that individuals, as potential students at stages of their life, as well as employers, should have access to clear information on education choices and delivery options. Potential students have a range of important information sources to help them assess work and education interests. These include jobs on offer, pay levels, conditions and whether types of work promise futures that they seek if they invest time and money in post-school education. The eligibility criteria play a role in how and why the students select particular courses. As previously indicated (refer to response to B5, Opportunities for Young Tasmanians), ACPET urges the Tasmanian Government to implement its ‘one-stop-shop’ for training information and support.

A Culture of Continuous Improvement
ACPET believes that a culture of continuous improvement and professional excellence needs to be developed, complementary to strong regulation, and underpinned by expanded initiatives such as:

- an increased focus on VET teaching and learning quality, and
- data collection on individual RTO performance.

ACPET believes that fair and equitable regulation will better preserve the desired standards for quality in learning outcomes and viability of institutions, be they public or private. The relevant national regulatory bodies – the Australian Skills Quality Authority (ASQA) and the National Skills Standards Council (NSSC) – need to have the institutional capacity to provide leadership which would ensure that all institutions that offer AQF qualifications observe their regulatory obligations and adhere to the purpose of the AQF. This capacity, in a fast-changing regulatory and broader educational environment, is critical. ACPET requests that the Tasmanian Government calls on the Federal Government to adequately fund the national regulatory bodies so that as strong, properly resourced bodies, they have the institutional and leadership capacity to carry out their functions effectively around the education sectors’ regulatory requirements.

Professional Development for all Staff to the Level of Public Benefit
It is known that improved quality and performance of all professional staff underpins greater quality and accountability of service provision to students. ACPET commends the commitment by the Tasmanian Government to support its VET workforce through the delivery of a heavily subsidized supplementary professional development series, coordinated by Skills Tasmania as well as its focus on workforce development in a more strategic sense, as demonstrated by the current SkillsTAS Workforce Development Strategy. However it is understood that attendance at the professional development events is at best, ad hoc.

ACPET considers access to Professional Development as a critical quality strategy and encourages the Tasmanian Government to better incentivize staff to participate.  

15 In 2012, ACPET has announced its Professional Development Peer+ and College Rewards Scheme. There may be scope for SkillsTAS to channel the Tasmanian VET workforce through ACPET’s Peer+ and College Scheme.
B8. BEST PRACTICE

Implementation of VET Reform in Victoria

Since 2008, the Victorian Government can demonstrate the positive economic and social benefits and impact of its training reforms. One aim of this arrangement is to provide Victorians with more opportunities and greater choice in where they undertake training. The evidence clearly shows an increase in both participation and provider preference. In turn, the Government has actively encouraged individuals to up-skill through its funding policies and once again, the evidence shows evidence of success against this criterion. Lastly, the VTG supports the Government’s social inclusion strategy, through enabling more people from disadvantaged backgrounds to enrol in training. From the data, it is clearly evident that there is:

- more choice of providers
- more Victorians in training and re-training
- the population is up-skilling
- more training in areas of need, and
- of particular significance, the private VET sector has made a marked and substantial contribution to the overall increase in VET delivery between 2008-2011\(^\text{16}\).

Victoria was listed in June 2011 by the National Training Information Services (NTIS) as having 1,080 RTOs, of which 1,071 were private training providers. The 9 publicly funded institutions comprise TAFE institutions, the College of Adult Education (CAE) (which recently amalgamated with Box Hill Institute of TAFE) and the Adult Multicultural Education Services (AMES).

Since the implementation of reforms in Victoria in mid-2009, there has been 23% growth in government funded enrolments related to industries experiencing skills shortages, including health, social assistance and construction together with higher level qualification attainment.

When comparing the achievements of the Victorian training market to those released in the Tasmanian Skills Strategy Report Card, clearly a more contestable market is contributing positively to the meeting of State based participation and completion targets. In Victoria, more people are in training: with a reported 17% increase and an impressive 40% increase in higher qualification levels, particularly at Certificates III and IV levels in one year alone (Sept 2010 and Sept 2011), as compared to a small increase of only 2.3% between 2008 and 2010 in Tasmania.

Likewise, the early indications are that the demand-led system is creating more opportunities for Victoria’s disadvantaged communities to develop vocational and job-ready skills, with a 26% increase in enrolments from culturally and linguistically diverse students, 22% increase from students with a disability and 24% increase from students aged between 15 and 19 years, who did not complete Year 12 or higher\(^\text{17}\).

\(^{16}\) SkillsVIC, data comparing Jan – Sept 2010 to Jan – Sept 2011 Victorian Training Market Performance

\(^{17}\) SkillsVIC, Victorian Training Market Performance data comparing Jan – Sept 2010 to Jan – Sept 2011
In December 2011, the Productivity Commission released a draft paper, examining the early indications of the Victorian VET reforms. Its broad findings were:

- student numbers in publicly funded VET in Victoria grew rapidly in 2010 relative to the period preceding the COAG agreement on VET reform. This growth could be attributed to implementation of the reform agenda in Victoria
- realised and prospective achievement in workforce participation and productivity are expected overall to lead to GDP increases and net social benefit, and
- adequate and sustained funding is necessary if potential reform impacts are to be fully realised.

Overall, this early-staged analysis was optimistic about the outcome of reforms in Victoria, with the Commission positing that further and deeper benefits were contingent on more people completing qualifications, undertaking higher level qualifications and for continued adequate funding for intended reforms.

The Commission noted that as enrolment growth was significantly higher than expected, the Victorian Government has acted to adjust the flow of funding by reducing subsidies for government-funded students in the fastest-growing fields of delivery, thus moderating the growth of training places and the flow of funding towards training in areas of skills shortage.

The Commission also noted that the ‘potential’ impact of reform is expected to begin to accrue as current policy statements expire. In Victoria, this is January 2013. Several report contributors believed that efforts should continue beyond these expiry times, as conceded by the Commission.

In a changing public and private education landscape which exploded into unprecedented and unplanned growth, suffered substantial fallout in student numbers and enrolments and in provider closures before starting to reinforce itself along better and more consistently regulated lines, these solid gains between 2008 and 2010 and again between 2010 and 2011, speak for themselves.
B9. ACPET’S FIVE KEY PRIORITIES

ACPET acknowledges the efforts of the Tasmanian Government in reviewing the role and function of Tasmania’s public VET providers, and welcomes the opportunity to respond to the questions raised in its Review Paper. Overall, ACPET believes that the Government cannot consider the role and function of its public providers in a vacuum – in particular when there are currently over 100 private Registered Training Organisations (RTOs) registered in Tasmania, servicing local industry and communities across all regions, including thin and niche markets and disadvantaged cohorts. It also believes that:

1. there is potential for Tasmania to achieve even stronger returns by harnessing the vigour of private providers to lift overall VET education and training provision and participation, linked to employment outcomes

2. functional separation between infrastructure and service provision be accompanied by greater sharing of public resources and infrastructure with the private sector through public-private arrangements

3. more flexible support services and possibly enhanced funding are necessary to improve workforce participation rates for disadvantaged and disengaged individuals across the VET sector. ACPET is of the view that this would generate clear dividends on budget investment in terms of increased participation and reduced income and other support payments

4. more Government intervention is required to establish:
   a. partnership approaches across Government, industries, enterprises, training providers and individuals to enhance skill development for the Tasmanian workforce, and
   b. improved and seamless pathways between local VET and higher education institutions, and

5. there must be increased effort to support consumers to better understand the merits of Tasmania’s existing and wider VET sector - made up of public and private providers, within a national AQF Framework. The question should not be on how to better manage future public perception of the Tasmanian public sector, but how to manage future public perception about Tasmania’s total VET sector, as one that offers increasing opportunities and capitalises on local advantage.
Appendix A

List of attending registered training organisations at the ACPET private provider consultations, held on 9 and 10 February 2012

- Australian Maritime College, Newnham
- Avidity Training and Development, Waverley
- Campbell Page, Moonah
- Driver Safety Services, Hobart
- Hobart Technology, New Town
- Independent Health Care Services, Moonah
- Industrylink, Hobart
- Learning Partners, Riverside
- Jenard Training and Personnel, Hobart
- MEGT, Hobart and Launceston
- Sorell School, Sorell
- Southern Cross Care Training, Moonah
- St Brendan-Shaw College, Devonport
- The Training and Business Company, Cornelian Bay
- Work and Training, Moonah
- Workskills Training and Development, Bridgewater