Review of the effectiveness, structure and capacity of the ACT public sector.

October 2010
The Australian Council for Private Education and Training (ACPET) welcomes the opportunity to provide a submission to the review of the effectiveness, structure and capacity of the ACT public sector.

ACPET is the peak, national industry association for independent providers of post-compulsory education and training. ACPET represents more than 1,100 organisations, from schools to higher education institutes, delivering a full range of education, training and English language courses to both domestic and international students.

Close to thirty ACPET members provide education and training in the ACT. ACPET members have a track record of delivering quality, choice and diversity to education and training in the ACT.

The relationship between ACPET and the ACT Government and ACT Public Service has been developed over many years and can be described as engaging, forthright and professional. This submission builds upon our existing relationship.

ACPET has used the following points which were outlined by the Chief Minister Jon Stanhope as the basis for this submission.

1. Capacity of existing public service structures to support government of the day with strategic and direction-setting advice.
2. Effectiveness in delivering on government policies and objectives.
4. How existing structures differentiate between the roles of policy and regulation.
5. Across Government coordination of service delivery.
6. Structures that would improve resilience and innovation in the public sector.

The ACT Government’s annual paper ACT Annual Vocational Education and Training Priorities is a clear strategic setting document on the direction of Vocational Education and Training (VET) in the ACT. The paper assists stakeholders build awareness of:

- Factors affecting VET workforce development in the ACT;
- Sources of information about demand for VET; and
- The ACT Government’s VET priorities.

Whilst the paper sets out VET priorities from a policy perspective the experience for ACPET members suggests that there is a disconnect between the policy settings and the delivery of
programs. This disconnect is in relation to the ability of the ACT public service to effectively develop and deliver programs that ensure the policy objectives are met.

The disconnect between the policy objectives and the delivery of these objectives could be overcome if there was a greater understanding by the ACT public service of how the training system effectively operates. One issue often cited by ACPET members is the timing in which funding is announced. Preparation time is a prerequisite for delivering quality training and education. Accordingly the ACT public service should be aware that when they develop parameters for government funded contracts that there needs to be an appropriate time frame for RTOs to be able to develop resources, engage staff, prepare facilities and importantly to fit with education and training that has already been committed to and planned.

Whilst ACPET members have demonstrated capacity to react to market signals, as small businesses they do still require some certainty from the purchaser of their service in regards to the level of funding that they will receive and the time frames in which they will receive the funding. There is currently an emerging lack of confidence amongst providers surrounding ACT Government funding arrangements. This emerging lack of confidence that ACPET members have in the Department of Education and Training (DET) is a result of failure of DET to make timely payments to RTOs after they have delivered the training and education as contracted. The late payments and at times non payments are placing enormous stress on the RTOs, which like all businesses have limited capacity to operate when invoices are not paid.

ACPET has previously raised the issue of non payments for providers with DET. ACPET acknowledges that DET is seeking to address these problems, however ACPET is concerned that there are systemic issues with DET with regards to a lack of internal procedures, software and operating systems that are unable to meet the requirements of managing contracts.

ACPET has concerns in relation to accountability and transparency with respect to the awarding of training contracts. The experience of ACPET members suggests that there is scope for improvement in transparency and accountability mechanisms relating to how these contracts are awarded. The ongoing experience of ACPET members is that they are unable to access the rationale as to why tenders have not been successful. Many ACPET members have reported that when they have sent formal correspondence to DET that they have not received responses.

Further, there are several instances where ACPET members have contacted DET to inquire about their applications and have been advised that their applications have been lost and that they need to resubmit applications. Whilst this is poor business practice on behalf of DET it also becomes costly for RTOs through increased administration costs.
The burden of administration costs is also borne by ACPET members when they are required to verify if they have been over paid or under paid by the ACT Government. RTOs are small businesses and therefore it is essential that administration costs are kept to a minimum in order to remain a viable entity. Accordingly a greater adherence to mechanisms and procedures should be a focus of the ACT public service to ensure that correct payments are made in a timely manner.

ACPET members also report that there is spasmodic and inconsistent information released regarding funding rounds. This includes some RTOs being made aware of funding rounds being open whilst other RTOs are not. As far as ACPET can ascertain there is no reason for the inconsistency in the communication apart from the internal processes of the ACT public service. Furthermore ACPET members also report that from time to time they receive letters that are addressed to them but the body or text of the letter is meant for somebody else. When such correspondence is received it is obvious that there has been a database or mail merge problem. This reduces the confidence RTO’s have with the ACT public service.

ACPET advocates that resilience and innovation can be improved in the public sector if there is a structural separation of education infrastructure. Structural separation will promote the efficient use of public funds, through better transparency, increased competition and clearer incentives.

Currently the Canberra Institute of Technology (CIT) receives operating advantage over private providers through allowances such as funding from the ACT Government for infrastructure and payroll tax concessions. The outcome is that the cost of publicly funded infrastructure is not transparent within service delivery costs. As such private providers are not competing on a ‘level playing field’.

To improve resilience and innovation within the public service ACPET contends that full transparency of service delivery should be an outcome that the ACT Government seeks. This will mean that all education and training providers in the ACT are able to operate on a ‘level playing field’ and operate in a business environment that does not discriminate or favour one enterprise over another.

ACPET contends that an inefficient and poorly managed training and education system can cause the residents of the ACT who are in the most need of education and training to miss out. The consequence of not being able to access education and training is that they do not have the skills to access or maintain employment. This in turn can result in greater dependency on Government over a long period of time.
ACPET looks forward to continuing to work with the ACT public service and Government in delivering quality, choice and diversity in ACT education and training.

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