South Australia
Skills for all: Productivity and Participation through skills

Consultation input
August 2010
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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 over 1,100 members nationally delivering a full range of higher education, 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. ACPET works with governments, education and training providers, 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.

Private providers and ACPET’s membership, include commercial and not-for-profit entities, community groups, industry and enterprise-based organisations. Research conducted for ACPET in 2010 indicates private providers deliver training to 48,000 equivalent full time students in South Australia each year.1

ACPET welcomes the opportunity to contribute to the Government of South Australia’s Skills for All policy direction and Consultation Paper. This is an important and positive policy development for South Australia. The South Australian Jobs Strategy aims to create 100,000 new jobs over six years, plus 100,000 more training places that are to be delivered efficiently and effectively as measured against national benchmarks. For training providers, public and private, this presents the affirming challenge of growth underpinned by quality and confidence.

ACPET recognises the need for, and strongly supports, the Government’s overarching objectives, including to:

- modernise and improve South Australia’s vocational education and training system
- ensure the training system is responsive to the changing economy, students and employers, and supports more South Australians in gaining qualifications and skills that will lead to jobs and serve workforce needs for the expanding and diversifying industrial base, and
- create greater opportunities for all to build skills through the modernised training system, which will improve employability, life career prospects, adoption of technologies, and innovation, while increasing the South Australian work participation rate.

**ACPET strongly supports the Skills for All ten-point VET system reform plan.** Private training providers are well positioned to make a substantial contribution to achieving the South Australian government’s policy objectives. The Consultation paper raises a number of questions and in this submission, ACPET provides input on these, and seeks clarification on a number of points.

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1 WHK Horwath, for ACPET, Education Industry Survey 2010.
ACPET also asks to be actively involved in the next stages of development of the new system.

B. Evolution in vocational education and training

The last two decades have seen substantial changes in the Australian economy, workplaces, workers and their expectations of work, and these changes continue in the demographics of the current and future workforce. Governments have invested in change programs to lift workforce participation, worker productivity and capacity to meet future skill needs. They have also initiated reforms to enable greater choice and diversity in the provision of training, allowing the creation of a strong, vibrant and responsive private training sector. As changes have impacted on the workforce and broader economy, the VET sector and most particularly private training providers, have responded.

Education for work is vital to Australia’s productivity and competitiveness agenda, and the performance of the VET system is key to these advances. The need to continue to modernise VET to ensure it continues to deliver skills in a responsive, effective and efficient manner has been recognised at Federal and State levels. As noted in the Consultation Paper, the pace of tertiary education reform has increased as skills needs and workforce supply pressures have escalated.

Both the Council of Australian Government (COAG) and the Ministerial Council for Tertiary Education and Employment (MCTEE) have endorsed multiple initiatives to increase completions in apprenticeships and traineeships, to expand numbers in school-based VET, and to embed recognition of prior learning and workplace-based training. Regulation is also to be streamlined through the creation of a National VET Regulator and National Standards Council. The future may see a merger with the Tertiary Education Quality and Standards Agency (TEQSA) as a single integrated tertiary system takes shape to meet future Australian needs.

A number of States are closely examining their VET performance and delivery models. Victoria, in particular, has implemented its Securing Jobs for Your Future – Skills for Victoria policy direction and change program announced in 2008, including growth in accessible training places, with a wider range of providers now providing responsive choice for individuals and businesses. ACPET has worked closely with Victorian agencies in implementing changes.

Introducing their Skills for All policy direction and reform package for the vocational education system, the South Australian Premier and Minister emphasise the need to transform the State into a highly-skilled community. Global competition means the traditional industrial platform in South Australia must transform. Economic and career opportunities are widening.

These positive pressures are similar to the major economic challenges of the late 1980s and 1990s that led to a restructuring of vocational educational systems to service rising skill needs. During the 1970s and much of the 1980s, State governments had maintained the traditional role of sole VET provider. However, it became apparent that the VET system was not sufficiently flexible and responsive to meet employer needs in a de-regulated economy that had to be export oriented and internationally competitive. A new Vocational Education & Training Act

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1990 in Victoria took the first step of allowing registration of providers in the private sector to deliver State accredited courses.

More broadly, ‘the benefits of an open training market were extolled in the Employment and Skills Formation Council (EFSC) report in 1992’ and a series of reviews advocated a competitive system with market based policies applying to vocational education and training’. It was also recognised that the TAFE system, as it stood in 1994, was unlikely to be able to meet all six Hilmer competition principles.²

In response to demands from users (employers, and individuals as intending students) the number and diversity of non-public providers has grown greatly in two decades. Contestability of government funding for VET has both recognised the importance of this expansion, and facilitated service innovation.

A large proportion of VET is now delivered to meet employer, employee and future worker needs through arrangements with private Registered Training Organisations (RTOs), as noted in June 2010 by Heather Ridout, CEO of the Australian Industry Group.³

… 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.

Research commissioned by ACPET in 2010 has confirmed the importance of the private sector in delivering skills for individuals and employers. The survey of more than 4,000 private training providers (ACPET members and non-ACPET providers) had a response rate of more than 10%, with almost 500 responses being received.⁴ Based on this response rate, the survey indicates that private providers delivered training to 48,000 equivalent full-time students in South Australia over the previous 12 month period. This activity generated $427 million in revenue for these providers and the South Australian economy as well as advancing skills levels across the population.

The top five industry areas of training delivery by private providers in South Australia were: Community services, health, education; Arts, entertainment, sport and recreation; Tourism and hospitality; Business and clerical, and Building and construction [see also State data in C.4 below]. There are interesting differences in the patterns of training for South Australian students enrolled with private providers, when compared with the national enrolment picture.

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² McPhee J, research paper 2003. www.voced.edu.au/docs/conf/conf12/tr12McPhee3.rtf. The Hilmer Competition Policy principles were: ‘limiting anti-competitive conduct of firms, reforming regulation which unjustifiably restricts competition, reforming the structure of public monopolies to facilitate competition, providing third party access to certain facilities that are essential for competition, restraining monopoly pricing behaviour and fostering “competitive neutrality” between government and private businesses when they compete’.


⁴ WHK Horwath, for ACPET, Education Industry Survey 2010. Private providers in South Australia are delivering courses at all levels – Certificate I, II (12.8% of private provider provision), Certificate III, IV (41.1%), Diploma and Advanced Diploma (23.0%), higher education (8.5%), other AQF (12.7%), non-accredited (1.8%), and across over 20 industries or fields [C.4].
Table 1. Private Training Provision by AQF Level

| AQF Level                        | National | South Australia |
|----------------------------------|----------|----------------|------------------|
| Senior Secondary                 | 1%       |                |
| Certificate I & II               | 8%       | 13%            |
| Certificate III & IV             | 34%      | 41%            |
| Diploma and Advanced Diploma     | 20%      | 23%            |
| Bachelor Degrees                 | 2%       | 9%             |
| Other AQF                        | 21%      | 13%            |
| Non-accredited                   | 13%      | 2%             |
| ESL                              | 2%       |                |
| **Total**                        | **100%** | **100%**       |

Source: WHK Horwath, for ACPET, Education Industry Survey 2010

The growth of delivery by the private sector has been increasing over the last decade. By 2003, private VET providers were established and delivering a wide range of courses and training to meet demands of the economy, employers and individuals. As identified by NCVER, in 2003 private providers were servicing more students than public providers, and that:⁵

- Private RTOs were a diverse group, covering adult/community providers, enterprise-based providers, industry organisations, commercial and not-for-profit organisations and others.
- Private RTOs were offering a wide range of accredited and non-accredited VET courses across the full range of the Australian Qualifications Framework.
- As well as their course offerings, many private RTOs also provided a wide range of student services.
- Training in 2003 was largely delivered face to face.
- Sixty-three per cent of the surveyed private RTOs were receiving some government funding.
- Private RTOs were making a substantial contribution to the overall VET effort in Australia.
- With caveats, NCVER estimated that private RTOs in 2003 had 2.2 million students (including one organisation with 290 000 part-time students, reflecting large-scale provision of short courses). This compared with the 1.7 million students in the public sector.

The progressive opening of the VET marketplace, including by greater contestability of funding, has spurred innovation and efficiency in both public and private providers – as seen in the following extract from a study commissioned in 2006 by the Australian Industry Group (AIG).⁶

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⁵ NCVER, Harris, Simons and McCarthy, 2006, Private training providers in Australia: Their characteristics and training activities.

⁶ Allen Consulting Group for AIG, 2006, World Class Skills for World Class Industries – Employers’ perspectives on skilling in Australia.
"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 per cent 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 per cent) than do regard it as world class (20 per cent).

– Small firms have particular difficulty accessing training that is tailored to their needs.
– Several employers remarked that opening up TAFE to competition had helped to improve their service markedly in some cases. Where problems still exist, this was thought to be due, in part, to a lack of competition.
– Consistent themes were … best results come from close partnerships with providers and tailored training.7

Private training institutions are now arguably the ‘engine room’ of the Australian training sector. The contribution of the many private providers is under-acknowledged 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.8

In 2010, there are approximately 5,000 VET providers in Australia (public, private, group training organisations, enterprise, and others).9 The private training sector employs over 95,000 full-time equivalent staff nationally and 3,400 in South Australia, including trainers and assessors, administrators, and support staff.

The recent national survey conducted for ACPET indicates private providers are delivering 74% of all VET, with 80% of this provided to domestic students, most on a fee for service basis.10 ACPET members deliver some 85% of private provider training. Nationally, the ACPET survey estimates that private RTOs deliver over 4,000 accredited and non-accredited courses to 1.4 million equivalent full time (EFT) VET students annually. Of these, over 800,000 students are undertaking AQF qualifications at Certificate III level and above.11

In addition, some 21% of private provider delivery is to meet direct employer needs for skills set training to upskill workers as part of workforce development plans and practices. Interestingly the figures for South Australian providers are much lower at 13%, indicating the importance of South Australian Government initiatives to link training entitlements with workforce development.

For South Australia, the National Training Information Service (NTIS) lists 312 RTOs, of which less than 25 appear to be TAFE or public agencies. ACPET data confirms (as the
Consultation Paper also suggests) that a higher proportion of vocational training is now being delivered by the near 300 private providers than is shown in statistical collections [refer section c.4].

The evolving training delivery pattern in South Australia reflects, as in other States, demands of both employers and individuals, as well as the quality and responsiveness of training and services delivered by private providers often without public funding for students. Strong service delivery has been fundamental to the growth of private training provision in such competitive 'word-of-mouth' marketplaces.

ACPET believes there is potential for the State to achieve even stronger returns by harnessing the vigour of private providers to lift VET provision and participation.

The Skills Strategy for South Australia’s Future and Skills for All plan are strong, clear and important initiatives, and a potential model for ongoing reform across the nation.

- Sharp targets are vital to progressive reform. South Australia has achieved its target reduction in VET delivery cost per hour ahead of time, and now identifies need for further efficiency improvements in the VET system, at least to match like Australian States.

- Similarly, opening VET delivery to wider competition among all types of providers will pay dividends as seen in a range of other industries in Australia and worldwide. Employer and student satisfaction with delivery of VET by quality private providers may mean the target of expanding contestability of public funding to 50% by 2012 (now 40%) could soon warrant increase.

In the next sections, ACPET considers the Skills for All reform plan for VET delivery.

C. The 10-point vocational education reform plan


Skills for All is a comprehensive 10-point reform package aimed at achieving the step changes in skill levels needed to increase workforce participation and lift productivity to levels required to realise South Australia’s economic and social growth potential.

ACPET strongly supports the skills and training objectives and the vocational education system reform direction, plus the pivotal elements of the 10-point plan. ACPET’s response includes a number of case-studies which serve to illustrate the capacity and active interest of private providers to develop and deliver quality training to meet a diversity of student, employer and economic needs.

Responses are provided for the ten points:

1. A training entitlement
2. Demand driven training through client choice
3. A shared investment in skills
4. A renewed partnership with industry
5. A clear role for TAFE SA
6. An assurance of quality
7. Well informed clients
8. Improved pathways into learning and work
9. School to VET – strong links with schools
10. VET to university/university to VET – a seamless tertiary system.

ACPET acknowledges the considerable South Australian Government investment to develop the *Skills for All* reform package to the level of description in the Consultation Paper. A number of points and questions raised by ACPET relate to the next stages of its development.

In ACPET’s experience, it is vitally important that the principles and intentions of such an advanced reform package are translated into the next levels of detail – as policies are shaped and implementation planned.

ACPET, representing a large number of organisations and associated students who will be impacted by the planned reforms in South Australia, looks forward to active involvement in shaping the detailed package.

### 1. A training entitlement

ACPET endorses and supports the concept and practice of learning entitlements at all levels of education.

As part of the ACPET mission is to enhance quality, choice, innovation and diversity, ACPET considers equivalence of public support to individual students, taking equity needs into account, should be a key objective in Australian education. Within agreed cost parameters, governments should support individuals in their choice of training provider; they should not limit individual choices through funding decisions based on ‘ownership’.

As identified in its submission to the Higher Education Review in 2008, ACPET considers arrangements for tertiary education resourcing should be aligned with Australia’s open economy, innovation, competition and productivity objectives. ACPET argued that student-centred funding models should be re-examined, with students being able to use any Student Learning Entitlement, including credits for special needs, at any approved education provider.

The Bradley Higher Education Review report in December 2008, did recommend that learning entitlements be made transportable. The report argued that choice, in itself, should encourage more individuals toward further education (compared to the allocated Commonwealth Supported Places system where a student may ‘have’ to take their fifth or lesser selection, or decide not to study at all). Student demand and choice will also reflect signals from employment markets.
Linking entitlements to students rather than institutions or courses would make marketplace demand clearer, as well as rewarding responsive initiative and innovation among providers.

The proposed *Skills for All* learning entitlement has a number of important and linked elements. Recognising the design considerations behind these, and budget limitations, ACPET:

- **Applauds the allocation of State supported training place entitlements** to individuals and employers, and particularly open entitlements to young people to bridge from school to work, and to those transitioning to work, plus the broad support for anyone to obtain foundation skills and/or a starting level vocational qualification.

- **Acknowledges that likely higher earning capacity from levels of education should be a factor in developing an incentive scheme**, as occurs with those utilising FEE-HELP to fund degree studies. Careful balancing of the level of financial subsidy and incentive to undertake training will be important. For instance, traineeships are often in service industries, with larger numbers of female workers, so higher long-term incomes cannot be assumed. If faced with direct fees, these students may look at university courses, or take no training at all.

- **Notes the intention to select certain places for public support and identify these.** The Consultation Paper suggests an aim that Government funding not replace training currently privately financed. ACPET seeks clarification of this aim. It appears to link to plans to fill apparent skill gaps by allocating a number of subsidised places for specific training on the basis of industry views on what skills will be needed. The reasoning behind this is understood, but ACPET cautions around close planning of skills demand and supply [discussed in C.2 below].

The Consultation paper also asks, 'does the entitlement framework outlined here support equity, increased participation and the development of higher level skills?'

Providers that focus closely on students needs achieve greater returns for each type of learner. Private providers depend closely on the quality of the education and associated support they provide to their different types of students to help them achieve learning objectives and ensure repeat business. Focus, attitude, professional systems and staff development are key to lifting participation, reducing attrition, and achieving stronger outcomes.

The *Skills for All* learning entitlement should open access to VET for a wider range of South Australians, but particular investment will be needed to support public and private providers in maintaining specialised teaching and care systems to assure successful outcomes for certain groups. 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. *It's Crunch Time, Raising youth engagement and attainment*, 2007.

The higher costs of special attention for some to achieve skills outcomes need to be recognised in student and provider funding arrangements. This appears to be the government’s intention and ACPET looks forward to discussing mechanisms for calculating such provisions in more detail.
ACPET providers have a record of developing programs for groups with different needs [examples are detailed in Boxes 1,6]. It is important that public funding levels recognise the need for quality in training (including effectiveness and usefulness). This is vital for all individuals venturing into training pathways, but particularly those from disadvantaged backgrounds with higher and more complex support needs.

Box 1. ACPET member, Community Services Training and Development Centre, Fullarton SA www.cstdc.com.au

CSTDC provides accredited quality training services and programs, many customised in response to client needs. Training programs are aligned with the Accreditation standards of Ages Care, Disability Work, and Home and Community Care industry standards. CSTDC delivers Certificates I to IV, skills recognition and assessment services, workforce planning and development, and industry short courses (eg Manual Handling, Transition Care), all delivered flexibly for a diversity of people across SA.

Access, Equity & Inclusion. CSTDC has an individual, case management and practical, problem-based approach to learning. Many students need specialised support one to one and in small classes. CSTDC provides job /career advice, counselling and life coaching as needed, plus literacy and language support for those with difficulties or who have not engaged with education for 20 to 30 years. Mentoring occurs before and after classes to ensure understanding of what occurred in class. Extra support people assist in classes, and a buddy system operates. CSTDC provides options for oral and practical assessments and reasonable adjustments for disabilities and language difficulties. CSTDC trainers, mentors, counsellors, life coaches and assessors have extensive industry experience and are aware of cultural and religious issues. They work to ensure no-one is excluded.

Industry and student responsiveness. CSTDC has training provider contracts with the State and Commonwealth. They liaise with New Apprenticeship Centres on behalf of employers to access Government funding and job network providers to recruit trainees suited to Aged Care work. CSTDC conducts awareness workshops before enrolment and visit employers to ensure students are making an informed choice, then matches students to employers for work skills placement and future employment opportunities. Through partnerships with other training providers and job centres CSTDC ensure students receive what they need. CSTDC maintains connections with employers, industry groups and with Industry Skills Boards. Flexible delivery (face to face, distance E-Learning & blended e-learning) is customised to individual and employer needs in rural areas in South Australia.

2. Demand driven training through client choice

ACPET supports the South Australian Government's intended reform of current funding models to improve VET system flexibility and responsiveness, to secure efficiencies, to better align supply with demand, and to improve student completion incentives. More specifically:

i) ACPET supports giving purchasing power to clients (individuals and enterprises) by making public entitlements for VET available for their choice of training and provider.

Supply of training should be demand driven and public funding should be increasingly contestable.

- ACPET supports the development of career and labour market information, and the provision of data on the scope and activity of providers. Quality assurance is a key element of registration and course accreditation at national and state levels. To assist its higher education members in improving the quality of their provision, ACPET has developed a higher education benchmarking tool, allowing members to measure their performance on key criteria by benchmarking themselves anonymously against grouped ACPET member information. This tool has the support of AUQA, and ACPET now intends to extend it for VET providers.

ii) ACPET has concerns with a program of allocated places aiming to direct students to areas where there might be better (but seemingly not visible) employment prospects.
The proposed South Australian approach appears to include allocated places as a significant element (both specifying types of training to be funded and allocating a proportion of those places to TAFE). Capping subsidised place numbers and directing students by incentive to particular occupations are control mechanisms quite beyond information supply.

ACPET recognises government’s concern to ensure the State has the skills it needs to meet industry and economic demands. ACPET is also mindful of the work Skills Australia is doing to map future skill demands. ACPET cautions however, that government allocation of training places can move quickly away from both student and ‘real market’ demand [Box 2]. There are many instances of forward planning based mainly on industry views collated through committees or surveys that have fallen wide of actual skills needed even in a short time frame. Examples include:

-- serious health workforce shortages being experienced across Australia, appearing in part to reflect capped education and training numbers agreed with sector groups last decade\(^\text{12}\)  
-- in 2003, the NSW Department of Education and Training purchasing strategy did not include ‘sustainable green skills’, nor ‘creative industries’, but did see transport and electricity, gas and water sectors as ‘in decline’ (in contrast to NSW DET lists for 2009-2010)  
-- data in the South Australia Consultation Paper indicates that even at 85% cost subsidy for TAFE SA courses developed alongside industry, there has been no growth in uptake.

If the South Australian Government introduces an individual and enterprise training demand system with allocated caps on subsidised places, it should be prepared to evaluate how well its planning works and be prepared to remove the caps if they do not deliver the skill mix the economy needs. Even where government planning delivers people into specific training priority areas, the reality remains that most people do not continue in the career they initially trained for. By recognising the reality of this ‘churn’ and providing better information to individuals to support them in their skill development choices, government is likely in the longer term to produce more people with the skills needed for the economy.

Box 2. NCVER 2007, Forecasting future demands : What we can and cannot know.

This study points out that demand for skills ‘is not observed directly, but is usually inferred from the number of people who are employed in occupations deemed to require those skills’. Also, while ‘many people in higher-level occupations [including some trades] do not have the level of formal education designated for such work’ by education systems, they still get the job done. Further, new graduates of VET or universities, ‘play only a modest part in filling skilled vacancies’. Key personnel sources across industries are people who learn on the job or have skills and are recruited from other workplaces, or who arrive as migrants.\(^\text{13}\)

On ‘projections’, the report says that Australia’s models for projecting skills needs are of high quality by international standards, but because economies are complex and dynamic with many influencing forces -

- It is not possible to make accurate projections of future skill needs in any detail, or for more than a few years forward.
- Accuracy reduces as the projection timeline extends, as types of skills are more specific, and as projections are made by smaller region or area.
- Planners should not try to match training to projected skills needs in any precise way; they should instead focus on distinguishing skills that are in growing demand from those in declining demand, and on skills that take a long time to learn (and to gear up to teach).

\(^\text{12}\) Multiple reports are posted on Australia's Health Workforce Online: www.ahwo.gov.au/publications.  
\(^\text{13}\) NCVER, Richardson and Tan, 2007, Forecasting future demands : What we can and cannot know.
iii) ACPET supports the objective of developing and achieving effective competition in the VET supply market, and comments as follows on principles in the Consultation paper:

- Yes, confidence in the system must be maintained. Quality training is paramount, and a strong regulatory system is required. However, ACPET stresses that a strong regulatory system needs to be measured by effectiveness on multiple fronts, including encouraging training and innovation. A strong system is not necessarily complex or barrier driven. It should include incentives for quality performance. ACPET cautions against South Australia adding regulatory layers to the agreed national regulation regime. Returns to South Australia are unlikely to be higher than the extra regulatory costs and opportunity losses.

- Yes, consumers need to be well informed about provider performance and their learning choices. Performance assessment and reporting needs to apply equally to all providers. This will assist consumer choice and also provide assurances about the quality of training provision.

- Yes, there needs to be competitive neutrality and barriers to entry should be minimised. This should apply to all elements of the modernised system, as well as initial entry. With increasing public funding being provided to private training providers, and public training providers also increasingly growing their fee-for-service revenue – questions of public ownership are becoming increasingly redundant. Competitive neutrality is a critical element in creating a level playing field which allows quality training providers to respond to and meet the needs of individuals and enterprises.

- Yes, the role of TAFE should be transparent and, where it is deemed necessary to support TAFE specifically through agreements and funding arrangements, there should be opportunity for VET system stakeholders to comment and to put forward alternatives.

- Yes, the complexity of service needs, particularly for those learners who have additional specialised requirements, need to be properly catered for through a combination of support programs and supplementary subsidies. ACPET would be pleased to provide opportunities for government to meet with and talk to individual providers with a track record of delivering training and support to individuals with complex needs to assist in understanding what works and what inhibits training delivery to learners with additional needs.

- Yes, enterprises need to be effectively engaged, and the broader objectives of workforce development (beyond simply the delivery of training), need to be achieved through appropriate partnership and shared investment arrangements. ACPET considers an active, open marketplace where enterprises receive support from government to entering into longer term workforce development partnerships with training providers, would be beneficial. The continuing expansion of private providers supplying both general and employer-tailored programs confirms this [Box 3, also point 4.]

- Yes, it is important there be a specific and well-understood funding model for the delivery of publicly supported training. Private providers and the reformed TAFE will need this for efficient business operations. ACPET notes the potential mix of funding approaches ranges from reimbursements, to incentives, to deregulated fees (with student loans managed
through the tax system), and contestable funding and/or tenders for services both general and special. ACPET requests more detailed consultation take place as approaches are considered. In particular, complexities and hidden costs need to be examined.

- Similarly, ACPET seeks to be involved in detailed development of any 'approval of capability'. There is a logic in this, but real risk of costly extra requirements on all, including TAFE.

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<tr>
<th>Box 3. ACPET member, Flexible Construction Training &amp; Assessment, Holden Hill, SA</th>
<th><a href="http://www.fcta.com.au">www.fcta.com.au</a></th>
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<td>FCTA works with apprentices, pre-apprentices, access students and 'doorways to construction' students in the mortar/trowel trades in the building industry, often referred to as 'wet trades'. They emphasise the benefits of up-skilling, assisting students in the future to be multi-skilled and having transferrable skills so they can maximise their employability in the industry.</td>
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<td>FCTA works with employers and facilitates flexible training to provide the best time frames for employers to release their staff for off-the-job training as part of workforce development. FCTA equally meets needs of workers in construction by offering flexible timing and training for skills improvement relevant to the industry.</td>
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<td>FCTA are very flexible. They work 49 weeks of the year and around employer requirements. In wet weather, when apprentices cannot work on the job they can attend training instead and make up the time on the work site when the weather is clear. FCTA have very high apprentice retention rates – currently 100%. This is attributed to excellent relationships with employers and regular visits to the workplace to monitor the workplace component. FCTA provide one to one innovative approaches to literacy and learning support as required, since trainees and apprentices have high rates of illiteracy and learning difficulties. They recently placed a deaf apprentice in employment. FCTA works with employers to access incentives to encourage employers to take apprentices as part of their workforce planning. FCTA also supports community projects by sending apprentices to work with community groups to gain experience. For example, apprentices are currently lining and tiling a shed for Rotary in Kadina.</td>
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3. A shared investment in skills

ACPET agrees there is a need to reform and simplify training subsidy and fee arrangements. It is important those developing the model consider complications that arise as new schemes are tacked on to underlying rules. Layers of rules increase administration costs and also create difficulties in advising students. ACPET considers the vital first stage is to develop underlying principles of a coherent model (as in the Skills for All plan), and then to develop new policies to ensure the principles of the system are met and maintained.

ACPET agrees that the potential higher earning capacity from higher levels of education should be a factor in developing a public support scheme. As a general principle, more of the benefits from completion of higher levels of education are likely to flow to the individual, along with substantial benefits to the economy, and direct cost savings to government as each individual becomes more self-sufficient and productive.

Careful balancing of the level financial subsidy with the incentive to undertake training will be important. For instance, traineeships are often in service industries, with larger numbers of female workers, so higher long-term incomes cannot be assumed. Alternatives for individuals faced with a relatively higher cost courses include attempting a higher education degree or deciding to undertake no training at all. In order to ensure that up-front costs do not become an
impediment to accessing education ACPET encourages the South Australian Government to work with the Commonwealth to extend VET FEE HELP to include Certificate III and IV courses.

Certificate I and II courses and some skills sets should be fully subsidised as entry level training.

ACPET agrees, in principle, with the concept of determining the level of Government subsidy through a form of periodic open tender process for supply of services. This will assist in tuning subsidy levels to reflect efficient costs for quality and effective VET delivery in mainstream and special circumstances (including regional locations, and students requiring extra support or enabling technologies).

4. A renewed partnership with industry

Skills for All aims to enable enterprises to take advantage of Government support to actively address broader workforce needs. This is important. Ongoing skills development will enhance productivity and support South Australian enterprises in innovating and adapting to changing economic demands and opportunities.

It is reasonable to require enterprises to make a commitment to workforce development, and to share the cost of this in partnership with government, where the workforce development activity delivers meaningful skills development opportunities for individual workers and is focussed on encouraging greater use of skills and knowledge through changes in work organisation.

Many private providers are active in working with employers on workforce development strategies. Private providers develop their business models to service market demands, and workforce training with progressive skills development is a rising need. The challenge for governments and providers is to increase the focus of medium and smaller employers on the benefits of investment in planned workforce development, to seek new ways for knowledge and skills to be applied in the workplace and to have these endeavours supported through longer-term partnerships with training providers.

A recent Allens Consulting Group survey for the Australian Industry Group found private providers to be rated higher by employers than TAFE on all service delivery criteria, including tailored training programs, except cost [table 2].

 Allen Consulting Group, 2006, World Class Skills for World Class Industries – Employers’ perspectives on skilling in Australia.
More recent data in the SA TaSC, *Five Year Plan for Skills and Workforce Development 2009*, appears to confirm that private providers are moving to service employer-worker training needs in innovative and effective ways, including in trade areas [table 3].

**Table 3. South Australia TaSC – Change in SCH 2007 to 2008** (government funded, fee-for-service provision not calculated)

<table>
<thead>
<tr>
<th>Training providers</th>
<th>Per cent that agree for:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TAFE</td>
<td>Private providers</td>
<td>TAFE</td>
<td>Private providers</td>
<td></td>
</tr>
<tr>
<td>Deliver satisfactory services</td>
<td>65</td>
<td>77</td>
<td>64</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Charges are reasonable and affordable</td>
<td>67</td>
<td>38</td>
<td>61</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>Have staff with relevant expertise</td>
<td>61</td>
<td>71</td>
<td>54</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Deliver high quality programs</td>
<td>57</td>
<td>66</td>
<td>50</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Offer training at convenient times/locations</td>
<td>58</td>
<td>72</td>
<td>49</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Willing to tailor training to employer needs</td>
<td>52</td>
<td>71</td>
<td>42</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Are flexible in responding to needs</td>
<td>53</td>
<td>69</td>
<td>38</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Are world class</td>
<td>24</td>
<td>32</td>
<td>20</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey of Australian employers 2005 — see appendix A for details.

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The figures in Table 3 show provision of government funded training by private providers occurring across a broad range of industry areas. In South Australia, data collected by WHK Horwath for ACPET in 2010 confirms the main fields of training delivery by private providers (from all funding sources) to be Community, health services and education (44.5% of private training), Arts, entertainment, sports and recreation (10.6%), Tourism and hospitality (9.2%), Business and clerical (5.9%), Building and Construction (5.3%), and Primary Industry (4.1%).

**ACPET considers the Skills for All framework has potential to encourage commitment of industry and employers to developing and utilising the skills of their workforce.** However, uptake could be limited if the types and levels of subsidised training are too tightly allocated.

ACPET supports initiatives such as additional government support for employers to engage people either currently unemployed or not in the work force for a trial period, as well as training under less formal arrangements than contracts of training. Similarly, the flexibility of supporting upskilling through skill sets as well as full qualifications is important. Interestingly the Horwath's survey for ACPET identified 21% of all private training provision nationally was in skill sets but only 13% by South Australian RTOs. Development of leadership and management skills should also be a key overall objective in the reform plans.

5. **A clear role for TAFE SA**

The *Skills for All* Consultation Paper confirms the government's intention to achieve marked growth in vocational training and improved skills outcomes. The paper identifies that South Australia is likely to require a higher rate of skills growth than the national forecast need of 3% in order ‘to catch up with the rest of the nation’.

Data in the Consultation Paper reports that in 2009, 50.9% of South Australians aged 20-64 are without qualifications at Certificate III level compared to 47.1% across Australia. And while the reported VET participation rate of 11.2% of the population is now close to the national average of 11.3%, it is lower than participation rates reported earlier this decade.

Data in the Consultation Paper shows some 80% of publicly funded VET is currently delivered through public systems, 63% by TAFE SA. Importantly, the paper recognises that the traditional VET delivery system must change if stronger results are to be achieved. The *Skills for All* plan includes a review of publicly provided VET in particular through operations of TAFE SA.

**ACPET supports a review of TAFE SA to identify its areas of strength.** Where a publicly owned provider is delivering outstanding results it should be funded and encouraged by government to continue to do so. This is an effective use of public funding. Should the review identify areas where TAFE SA needs to make improvements to its performance – government needs to consider if providing additional funding to an underperforming part of the TAFE system is the most efficient use of public monies. There are plenty of examples of high quality, sustainable VET delivery by private training providers (including not-for profit and regional organisations) in areas traditionally associated with TAFE, where increased investment in private provision may be a better use of government funding.

The Government's *Skills for All* paper outlines progressive changes in positioning for TAFE SA.
ACPET agrees it is important that TAFE SA undergo reform to enable it to compete effectively and transparently in a market-based system which is underpinned by competitive neutrality principles. The review and reform should also identify and consider ways in which TAFE SA and other providers already work in partnership together and look for ways to promote more partnership activity. Both TAFE SA and private providers have areas of strength and where partnerships can add value to individuals, regional communities and enterprises these should be encouraged. In addition to the many partnerships between individual private providers and TAFE SA, ACPET has also been pleased to collaborate with TAFE SA and the South Australian Government in signing a VET Sector Agreement, committing to cooperation in responding to climate change through green skills development for the State’s workforce. The collaboration between ACPET and TAFE SA will facilitate development of skills in sustainability needed by business to compete in a low carbon economy. Training will also help individuals and enterprises to reduce greenhouse gas emissions and contribute to meeting the State’s sustainability targets for climate change.

The questions in the paper suggest an interest in viewpoints on how the new positioning for TAFE SA might be defined and work. ACPET provides a series of comments below on these points:

- The Consultation Paper appropriately identifies the history of TAFE, and its recognition in the community for quality education and training. Private providers across Australia equally deliver responsive, effective, quality training, as verified through regulatory audits, market feedback, and rising custom by individuals and employers [C.4]. It is important that in recognising the substantial contribution TAFE SA has made to the South Australian economy, that the equally important contribution of private providers is not ignored.

- In considering the ‘quality question’, submissions to the current Productivity Commission review of the Vocational Education and Training Workforce are informative. While there are concerns in some submissions about the performance of the VET system, comments also indicate private providers have achieved (and have the drivers and flexibility to maintain) staff focussed approaches which are able to deliver responsive training that meets the needs of students and employers.

- South Australia’s modern market-driven and competitive VET delivery system should apply the same performance and quality expectations to all providers. ACPET queries the assertion, that TAFE SA purely because of its public ownership might be the only training provider singled out as ‘Providing stability and setting an appropriate quality standard for the VET system by virtue of its performance as a public institution’. Survey

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16 ‘VET practitioners (trainers and assessors) only have 80% of the skills they currently need to undertake their work’ in changing climates. John Mitchell to PC review, Vocational Education and Training Workforce, July 2010, www.pc.gov.au

17 Professor Erica Smith, University of Ballarat July 2001: ‘Vocational education does not have a high profile as an occupation, and providers sometimes struggle to find appropriate applicants for positions, particularly in rural areas and industry areas in which the industry workforce is experiencing a skills shortage and consequently wages are high, eg mining, electrical. Particularly in TAFE, teachers are sometimes attracted to job because of the working hours and holidays, and so, for some, this conflicts with the increased demands being placed upon teachers to be more flexible in their working arrangements … While private RTOs have a strong focus on responsiveness this is not the case at all levels in all TAFE Institutes. Teachers/ trainers attracted to teaching in previous decades may find that the job had changed to one they are not particularly comfortable with. … I have found much variation within and between providers in teachers’ readiness to embrace new roles.’
after survey indicates that employers and students rate their experiences with private providers more highly than they do their experiences with TAFE. While the surveys cited in this submission do not focus on satisfaction with TAFE SA, it is important that public ownership not become a proxy for quality. In other areas of human service delivery including health, aged care, and child care public ownership does not bring with it an automatic assumption of higher quality. In the interests of transparency ACPET would support the publication of independent audit reports of TAFE SA against the AQTF Standards before government commits to establishing it as the quality benchmark for training provision in South Australia. While there have been a small number of examples of poor quality training delivery in the private sector in South Australia these are not the norm and all of the evidence indicates that for employers and individuals, private providers are the quality benchmark.

- **In the introduction of a more market-based system for VET in South Australia, ACPET believes that it is crucial that an independent evaluation be undertaken of the actual level of thin markets and the most appropriate means to address them to support the development of properly targeted initiatives to address both thin markets and market failure.** Competition and competitive neutrality are key drivers of a successful market. Higher subsidy rates need close scrutiny. TAFE governance changes should increase autonomy and accountability equally. Clear public returns should be expected from ‘differential costs associated with public ownership’.

ACPET sees development of partnerships with other providers as part of all public roles.

**Box 4. ACPET member, Regional Skills Training (RST)**

Based in Arthurlton SA, RST delivers training right across rural, regional and remote SA. RST offers a wide range of courses to cover those areas of study that people and employers in remote and regional SA want, from school based apprenticeships up to Graduate Diploma of Business Management. Their current list includes Agriculture, Horticulture, Business and many others courses. From late 2010 RST will also be offering courses in Health & Aged Care, Community Service, Child Care and Civil Construction in order to cover the workforce development needs of regional enterprises and regional learners.

*Innovative ways of meeting the needs of isolated learners.* RST’s open-learning Diploma of Agriculture group has farmers from a variety of regional locations participating by ‘go to meetings’ teleconferencing and web based tutorials. Assignments work on improving sustainable production on their own farm. To deliver the Diploma and Advanced Diploma of Rural Business Management, RST bring together groups from across SA in hired halls, sports clubrooms etc (the most suitable local venue) in order to deliver ‘what, where and how’ farm business managers from across SA need to run their businesses more viably.

In conjunction with local communities, RST have developed a ‘whole of community’ approach to providing school based apprenticeships (Cleve and Cummins on Eyre Peninsula) in which a range of businesses throughout the community provide employment and training opportunities. RST offers courses through either PPP funding or on a user pays basis.

**Box 5. ACPET member MEGT: Regional engagement, tailored programs**

*With Industry:* Riverina retailers serious about attracting good quality staff to their business have been turning more towards providing traineeships according to Riverina's MEGT Australian Apprenticeships Centre. With its 13 stores, the Wright Group KFC franchise is a major employer in the region and has been using traineeships in their workforce planning strategy to assure staff of a career pathway. The Operations Manager for the franchise has to keep track of their 80 trainees, the weekly status of their on-the-job and offsite training, the forms they have to fill out for government, their entitlements, and eligible financial incentives.

‘It can be complex but MEGT's online tracking system is a fantastic help, particularly at tax time and when we have trainees completing their qualification at different times and at different store sites.’ The online system is part of the infrastructure behind MEGT’s personal service to KFC, working one-on-one with them and monitoring the progress of each trainee. KFC likes to ‘grow their own managers’. Individuals from many backgrounds can start with a Certificate II Retail, then progress through to Certificate IV Retail Management then potentially end up managing their own restaurant with 60+ employees reporting to them.
Indigenous engagement. Twenty-three Aboriginal and Torres Strait Islander students have started the first-ever, 12-month traineeship in Horticulture that will give them experience training, employment and mentoring. The project has attracted employers keen to take trainees from many regional areas. On 5 July 2010, the group began their 12-month traineeship with their new host employers, undergoing induction and meeting their new workmates. They will learn skills such as paving, building courtyards, weeds and chemicals, planting and plant propagation, pruning and turf establishment, maintenance and renovation.

MEGT Indigenous Apprenticeship and Traineeship Network’s National Manager of Indigenous Programs says, ‘Students will not only be trained in horticulture, but also be given business and study skills that will encourage them to continue learning or go further along their career path. MEGT is skilled in Indigenous training, with successful retention and risk management strategies.’

Box 6. ACPET member, Encompass Community Services Inc, Victoria

Encompass has been assisting people with disabilities and those who may be disadvantaged in the Geelong and surrounding regions for almost 25 years. Encompass is a RTO and each year supports about 800 people through its specialist employment services, small business ventures, lifestyle programs, and provision of both accredited and non-accredited training.

Encompass Community Services is committed to promoting equality and opportunity. Near half its employees have a disability, reinforcing Encompass’ commitment to diversity in the workplace and equal opportunities to the community. Services are provided for people with physical, intellectual, sensory and psychological disabilities as well as other less advantaged individuals including disengaged youth, long-term unemployed and those facing financial, social or learning barriers.

Encompass programs offer opportunities to individuals with varying disabilities to develop their skills and knowledge in their area of expertise and interest. Encompass, with support from Federal and State funding, provides smaller class sizes in a supportive environment, flexible learning where individuals complete training at their own pace, assistance with applications for funded training and traineeships, plus an employment service when students are ready to work onto work pathways.

Encompass delivers programs up to the Diploma of Disability, Diploma of Youth and/or Advanced Diploma of Disability Work. Encompass has expressed interest in looking at extending services into South Australia under the new Skills for All system.

6. An assurance of quality

ACPET is strongly supportive of moves toward a national tertiary education system including a national VET regulator and of the new quality regime for the training system (AQTF Standards). Regulation has a substantial effect on vocational education providers, and there need to be stronger, more cohesive national regulatory arrangements for registration and accreditation and quality assurance. National regulatory regimes should be applied with efficiency and consistency across the States.

ACPET also recognises the proposed formation of a National Standards Council to develop and maintain national standards for VET regulation, including for RTOs, training products (training packages and accredited courses), and data collection and dissemination to regulators.

Cumulative costs of regulatory systems need to be weighed against potential benefits. ACPET has raised concerns about layers and details of regulation in a series of submissions to the Productivity Commission, DEEWR and States during tertiary education planning reviews. In general, ACPET supports revision in regulations to introduce a focus on performance, delivery, and quality and effectiveness of outcomes. These rules need to be applied to providers equally.

The modern focus on outcomes requires new ways of thinking in agencies that conduct registrations, accreditations and audits, even when working under national regulations. To facilitate innovation and efficiency, ACPET considers that as the regulatory focus turns to outcomes and measures, procedures need to be clearly and quickly adjusted to reduce time and financial costs of compliance checking.
From the Consultation Paper, ACPET understands the South Australian government wants to achieve a more attractive, workable and efficient VET delivery system that is effective in terms of training outcomes. The structure and application of regulations, both the National system and State legislation and rules, will impact on quality, costs and results achieved for the State. As ACPET notes in points above:

- Confidence in the system must be maintained. Quality of training is paramount, and a strong regulatory system is important. A strong regulatory system needs to be measured by effectiveness on multiple fronts, including encouraging training and innovation. It should include incentives for quality performance.

- ACPET cautions against South Australia adding regulatory layers to the agreed national regulation regime. Returns to South Australia are unlikely to be higher than extra regulatory costs and opportunity losses. There is, for instance, logic in developing an 'approval of capability' process, but also a real risk of costly extra requirements on all, including TAFE.

The consultation paper provides an outline only, and this limits comments. ACPET seeks to be involved in the detailed development of proposed regulatory structures and requirements.

7. **Well informed clients**

ACPET agrees that individuals, as potential students at stages of their life and as family or friends guiding decisions, as well as employers, should have access to clear information on education choices and delivery options.

**Potential students already have a range of 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 they seek if they invest time and money in post-school education.

The job marketplace, for instance, is a telling indicator of employment outlook. It is important that career advice and work information provided by agencies align with signals from work advertisements and experience relayed by families and peers. Websites stating types of skills needed would best be backed by evidence on jobs of reasonable interest, pay and conditions.

Efforts to better coordinate career advice, career information and consumer information should assist individuals and employers in understanding and selecting services they want. However, ACPET is concerned close consideration is given, in advance, to how the new tools will work:

- Any South Australian initiatives need to complement rather than duplicate effort being invested, for instance, in the national MySkills website.

- Information provided, including for school career counsellors, or Career Development Centres, needs to be balanced in identifying vocational and other education pathways, and in representing public and private providers and their range of offerings and features.

- There should be sector consensus on the type and depth of information to be provided through agencies. Lists of providers, courses offered, locations and website address are relatively straightforward. If the publicly promulgated material then introduces qualitative judgements of services then problems could arise. For instance, should a 100% apprentice
retention rate be a noteworthy factor [box 3]? Or training linked with leading edges of industries and winning awards [boxes 7,8,9], or flexibility in location, or tailored services for employers and particular groups [boxes 1,4,5,6]?

**Box 7. ACPET member, Clip Joint Education, Adelaide**

Clip Joint is an industry leader in the field of hair and beauty training. Starting as a salon in 1970, it became training provider in 1986 in response to industry demand. Clip Joint runs a large salon to give students hands on experience and offers courses in Hairdressing and make up from Certificate II up to Diploma of Salon Management.

Clip Joint keeps industry-relevant by being extremely active with their industry body, The Hair and Beauty Association. Staff and Trainers regularly attend national and international industry-run events to maintain their industry knowledge. They also sponsor various awards at industry run competitions. Clip Joint Academy has a long standing partnership with Schwartzkopf International, Schwartzkopf regularly use Clip Joint facilities for their industry training and product demonstrations.

Clip Joint also runs advanced training for practitioners already in the hair and beauty industry to maintain the relevance of their skills. Trainers were recently sent to Los Angeles to learn the most up to date techniques. These trainers are now able to pass this information on to people in the hairdressing field locally.

*Clip joint were the 2006 Small Training Provider of the Year.*

**Box 8. ACPET member, Quality Training and Hospitality College, Adelaide**

Founded in 1992, and providing training to South Australia, NSW and Queensland, Quality Training is an industry award winner in the hospitality field. In addition to their modern campus, Quality Training also run a restaurant and catering business to allow their students real experiences and training with customers outside of the classroom. Graduates run successful charity dinners at the completion of their courses to raise funds for a local charity.

Quality Training offers a range of programs from non-accredited half-day courses in specialty areas to the Advanced Diploma in Hospitality. Quality Training also offer Hospitality Management and Cookery to international students.

*Access & Equity:* Quality Training offer a one-on-one tutoring program for international students who are having difficulty with their English literacy and numeracy. This is provided on a needs basis and is case-managed by staff so not to single out those students experiencing difficulties.

*Industry Responsiveness:* In order to ensure their students graduate with industry relevant skills Quality Training consults with their Industry Skills Board quarterly to maintain the industry relevance of all their training materials. Quality Training also ensures that their trainers are currently engaged in work within the hospitality industry.

*Corporate Social Responsibility:* At the conclusion of their course, graduating classes plan, co-ordinate and run a charity function with all proceeds being donated to Can Do 4 Kids. Students are responsible for costing, staff rosters, project management and marketing of the event, along with catering and service. This initiative not only gives students experience with project and event management that they might not ordinarily have but also raises much needed funds for Can Do 4 Kids, a local charity helping children who are vision and hearing impaired.

The QT training restaurant Café Quisine was announced winner of the Professional Development Category at the annual Awards for Excellence for Restaurant and Catering in SA this year.

**Box 9. ACPET member, Australian Institute of Management SA**

Since 1994, AIM has provided businesses, its members and the community with professional development, representation and management services in state-of-the-art facilities. AIM SA’s training programs are designed to meet the needs of managers across a range of industries including business services, the public sector, financial services, local government and training and assessment. AIM training is responsive to business and individual needs and is available from Certificate III (in Frontline Management), through to an MBA Program. Training is delivered by experienced facilitators and current industry practitioners.

AIM has a Client Relationship Manager for every corporate member and client to consult about their workforce development training needs and arrange customised training in-house. Individualised training is provided for learners with special needs.

AIM delivers training in regional areas as required. Last year the MBA was offered in the Clare District. This year AIM SA is exploring participating in the Murraylands Education Precinct Concept. Blended options that combine face to face delivery with e-learning are currently being investigated for learners challenged by distance.
AIM SA has been working on a range of activities to support their Corporate Sustainable Responsibility commitment, including:

Environmental – AIM SA is significantly improved recycling processes, reducing landfill from operations, reducing energy and water usage, and enhancing environmental practices for the Centre for Management Development.

Social – AIM SA supports a range of charitable organisations including SCOSA, Catherine House, Homelessness SA, Salvation Army, Royal Society for the Blind and others. In addition, support clothing and donation drives, blood donations and other activities as determined by the AIM SA team.

Business – AIM SA is reviewing business practices to ensure the business operates in the most sustainable way possible. AIM SA takes a lead role in running seminars and provides information about sustainable business practices to members and others.


8. Improved pathways into learning and work

ACPET recognises the South Australian government wants to advance learning and work pathways for all citizens, including less advantaged groups, Indigenous Australians, and young people unemployed or not engaged in study to assist life-long work and income. In addition to difficulties for individuals, the economy faces higher support costs and lost productivity.

Programs for engaging adults including South Australia Works and Adult Community Education (ACE) demonstrate government commitment, and ACPET notes these are under review to strengthen focus on foundation skill development and capacity for workforce participation. Interaction with Federal assistance programs and across support sectors is important.

ACPET provides the following comments and looks forward to involvement in this challenge:

- **These important policy objectives provide challenges to agencies and educators, whether public, private or community-based.** Disadvantage is often associated with limited preparatory education and training. Significant support services can be required, student-by-student, as well as quality training and assessment. Flexibility and responsiveness is also vital. Data from the Horwaths survey for ACPET indicates that more private training providers now deliver training at basic qualification levels (Certificates I and II) than TAFEs.

- To support its members in delivering training to less-advantaged people, ACPET has appointed an expert from the disability sector as its Executive in Residence, to provide support to ACPET staff and members on socially inclusive practices in delivering learning services. ACPET’s Statement on Social Inclusion and Diversity, and its publication The creativity of success: Disability in the classroom and the workplace. A guide for private training organisations are examples of the resources ACPET is now producing to support its members.

- ACPET believes the South Australian Government Skills for All reforms recognise that to achieve strong outcomes, higher levels of government support and partnerships are needed. A priority is support for professional development for VET trainers and assessors so they have the skills to provide a supportive learning environment for less advantaged clients.

- ACPET notes the proposal to establish a ‘fourth arm of the vocational education and training’ (SA CAFE) associated with Adult Community Education, and with a mission to dramatically
lift levels of literacy and numeracy. ACPET feels this may be a response to rigidities seen in current mainstream VET delivery and suggests it could be a later initiative if still needed.

- **ACPET emphasises there is increasing evidence of private providers moving to effectively develop and deliver a wide range of learning services**, including foundation and work skills for special groups [see boxes 1,3,4,5,6,10]. Many ACPET members are non-commercial and some receive ACE sector funding in other States. Innovation would be assisted by funding programs enabling various private providers to work as partners.

### 9. School to VET – strong links with schools

The *Skills for All* reform program demonstrates the South Australian government is prepared to examine and address issues around translation of vocational training undertaken in schools into VET outcomes that are recognised and useful once a student leaves school.

From the experience of members, ACPET agrees these pathways should be clearer. There needs to be a blend of curriculum and VET at schools so students can start useful training at school and transition in a logical manner, not barred by institutional traditions, to complete their VET learning and move strongly into the full-time workforce.

**A first stage would be critical review of VET delivery practices in schools against criteria set for VET learning beyond school.** Adjustments will likely be needed both within schools and in the VET recognition system. ACPET members work at the interface of schools and VET [box 10], also of VET and higher education, and would be looking to provide inputs to such reviews to achieve workable outcomes.

ACPET agrees that the Learning Entitlement should facilitate transition from school to adult VET training. Again, the flexibility and innovative approaches demonstrated by private providers in their offerings and delivery, and confirmed by statistics showing rising custom [C.4] should be harnessed by the South Australian government to meet skills objectives for the State.

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**Box 10. ACPET member, Construction Industry Training Centre (CITC)  [www.citc.com.au](http://www.citc.com.au)**

CITC began as a Not for Profit group in 1994 and has since grown to become a leader in training in the construction industry within South Australia by providing training across a range of trade areas. These include construction, mining, automotive, manufacturing, maritime, transport, wine making and defence. CITC offers a wide range of programs from Certificate I to Certificate III. Many licensing units are also available. CITC delivers VET in Schools, and also works in rural and remote areas.

CITC helped establish the *Doorways to Construction* program in South Australia. CITC have now been successfully running this program for over 12 years in a number of South Australian high schools through the VET for School Students program. They are currently providing this program to around 200 students per year.

The course gives students a taste of a variety of difference trades within the construction industry to assist them to decide on whether a trade is a wise career choice for them prior to committing to an apprenticeship. CITC sees this as an important way to market their industry to young people and help towards lowering the skills shortage in their industry.

The *Doorways* program is owned by and purchased from the Construction Industry Training Board (a separate entity to the CITC) to ensure that it remains up to date with industry needs and expectations. This program must be run as a partnership between an RTO, High School, the industry board and a group training organisation.

CITC has had considerable success with this program, in particular in building community partnerships in the South East cluster of schools. Based out of Mt Gambier High School, the program brings students from around the rural district to the schools. During the program, students are involved with the building of a transportable home (under the supervision of
licensed Master Builders). The home is built with the help of donated goods and services from local business, including hardware stores and the local APEX charity group. On completion, CITC engage LJ Hooker to sell the home (this service is provided free of charge), with all the proceeds going back into the local program to assist the following years’ students with the cost of the courses. This system helps to ensure more students from rural areas have access to the program by lowering the cost to their families. CITC currently have 60 students taking part in the program from the South East cluster. In other regions, projects undertaken by the Doorways students have included building local parks for rural communities and assisting councils with other local infrastructure projects.

10. VET to university/university to VET – a seamless tertiary system

ACPET has strongly advocated a single tertiary education system over the last three years, including to the Higher Education review, Productivity Commission studies, and to Ministers.

From experiences of its members, many offering VET and higher education programs, ACPET considers the biggest impediment to education innovation, efficiency and market -responsiveness is the historical dual-sector division. Australia’s institutional distinctions embedded in regulations are arbitrary and funding based, with unfortunately persistent ‘class’ features in terms of students (‘professionals’ or not) and teachers (‘academics’ or ‘trainers’).

There are fundamental issues with the ideological gulf between current vocational and higher education qualifications, with VET stuck on the competency based training model and set structures even where it does not work (ie. above certificates, even Cert IV). So students are voting with their feet and with Fee-Help, into new HE courses that some universities can move faster to set up, covering similar ground without the strictures.

Advanced Diploma and Diploma were always meant to be para-professional now including managers/supervisors. But providers have lost control of structures and we can’t customise them for our student needs (although this is what we are supposed to do and theory says there is flexibility). Need one system to uncouple these from training packages; tiers of qualifications and the way they are developed and delivered. All practice based qualifications have skill and practice elements – competencies – plus theoretical and personal/professional elements. ACPET member institute, academic director, July 2008

ACPET has recommended to the Higher Education Review Panel, the Federal Minister, and Skills Australia, that:

- **Australia establish a single tertiary education system with one mission** – to develop capacities, skills and knowledge across the diverse population through an integrated continuum of functions, qualifications and providers, and streamlined administration

- **Australia needs a ‘fit-for-purpose’ qualification and quality system** structured around student and provider performance. With more complex life, work and productivity challenges, barriers to individuals or employers obtaining useful qualifications that integrate skills and knowledge should not be perpetuated. Barriers to innovation and enterprise by any type of provider should be removed.

Industry submissions to the Higher Education Review reinforced frustrations with sector divisions:

From the point of view of the business community, ACCI recommends an integrated post secondary skills environment where skills and knowledge delivered are current and up-to-date, where the standards of the skills and knowledge acquired are deemed by industry to be excellent, and where articulation between institutions is easy and based on sound recognition principles. Australian Chamber of Commerce and Industry, 7.08
To an extent, movement to a single tertiary education system is occurring. Some policy announcements since the Review report in 2009 are developing a framework for a single system.

However, the pressures of teaching traditions continue, and to be realistic, universities have responded with new, interesting courses, so forces do not favour VET education.

In South Australia, as the Consultation paper states over 60% of Year 12 school leavers are continuing on to a form of education or training within a year of school. The largest group is attending university (37.5% in 2007), with 13% enrolled in campus-based VET, and 11.6% in employment-based training, either as apprentices or trainees. Universities in South Australia (and competitors offering services from interstate) are keen to maintain and increase their student numbers. Attracting students directly from school is a 3+ year income for universities.

A particular barrier (and part of the marketplace reality) is that university academics generally have great difficulty understanding (and do not want to learn) the VET structure, training packages, and competency units. This leads to calls for slow and detailed 'mapping', even where logic says graduates of, say, VET Diplomas should be in the same knowledge, skill and competency arena as graduates of various courses now offered by universities.

**ACPET and its members have been active in trying to establish recognised pathways with universities.** In 2010, ACPET and Canberra University agreed a Memorandum of Understanding to establish and extend co-operation in Admission Processes to facilitate student movement, Articulation, Credit Transfer and Recognition of Prior Learning, and Collaborative Curriculum Development. ACPET is positive about the potential of this agreement.

However, mixed experiences from MOUs with universities are more usual. Some TAFE-University MOUs have achieved little in five years. Another ACPET effort to progress action past the stage of an MOU with a university, has not worked so well. Individual ACPET providers have faced difficulties in achieving recognition by universities for VET qualifications.

Theoretical intent has to translate into action, as recognised in the *Skills for All* paper. A number of good ideas are listed in point 10. However, as identified, a key issue is the structure of VET training packages and variance of competency-based assessment processes in each sector.

Effective articulation is clearly possible but there is little incentive for universities to invest in the depth of understanding and change needed. They are better off attracting the student away from VET at the start. The university barriers mean there is little incentive for VET providers to offer to develop students with the possibility of university in mind. ACPET suggests Agencies need to look closely at these issues and invest in resolving stand-offs.

**To reiterate, ACPET strongly supports the South Australian *Skills for All* 10-point VET system reform plan.** Overall, ACPET and members consider the plan is a strong advance.

At this stage the reform plan has been presented in outline form for initial consultation. Questions arise and ACPET looks forward to active involvement in detailed development.