Submission

VET Training Products for the 21st Century

March 2009
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1. ACPET’s Position – one tertiary sector

The Australian Council for Private Education and Training (ACPET) is the peak, national industry association for independent providers of post-compulsory education and training. ACPET represents more than 1,200 organisations, from schools to higher education institutes, delivering a full range of education, training and English language courses to both domestic and international students.

ACPET welcomes the opportunity to present a submission to the National Quality Council/COAG Joint Steering Committee as part of its consultation on VET Training Products for the 21st Century.

In light of recent announcements by the Hon. Julia Gillard and the recommendations in Bradley’s final report on the Higher Education Review, ACPET questions whether the introduction of one tertiary sector will supersede a number of the questions raised in this paper particularly in regards to VET reform in isolation from education reform.

Based on this current situation, ACPET reinforces the need for the following set of underpinning principles for education and training to ensure that all clients, whether employers or individuals, have the opportunity to choose the most appropriate program/course/service to meet their needs. There is a strong need for:

- one Australian tertiary education system with a continuum of qualifications and removal of artificial sectoral barriers to tailoring and delivering innovative courses utilising both academic and vocational education strengths;
- one Australian tertiary system in which, aligned with national policy, productivity and competition objectives, institutions are not delineated on public or private/commercial business models – the key test should be provider performance in student outcomes;
- close examination of student-demand based funding models because all types of students warrant choice to suit their needs and interests and equivalent public support for the range of institutions and courses they select; and
- the need for streamlined, best-practice regulation and administration in a single tertiary education system and removal of anti-competitive elements from regulations and processes.

In addition, Australia needs to come to grips with institutional (universities and TAFEs) cost structures including direct and indirect costs of embedded research nexus. Independent education institutions can offer useful models of innovation, efficiency and education results.

ACPET endorses an approach where clients (employers and individuals) can choose the most appropriate provider to meet their needs and where that provider can develop a learning program based on delivering the best possible outcomes for the clients. All barriers, such as funding policy, prescriptive training products and excessive and uncoordinated regulation, need to be removed.
Australia does have a nationally accredited training system with nationally agreed outputs (qualifications), products (Training Packages) and a quality assurance system (Australian Quality Training Framework – AQTF). How this system will ‘fit’ into the recently announced one tertiary sector is yet to be fully explored but it is a move which needs to take place.

Meanwhile, it is important that the National Training System (NTS) is continually improved and caters for the needs of the individual learner so that the client can access the type of learning needed for future career moves throughout his or her lifetime.

At the same time, the NTS must also be driven by the needs of industry, otherwise employers will move away from the NTS to non-accredited training particularly if the systems in place for accredited training do not provide for the preparation, up-skilling and retraining of the employees needed by industry for today’s labour force needs and to compete internationally in future markets.

ACPET supports a national training system driven by client-demand where individuals can choose their provider and are also financially supported to gain a Certificate III level or equivalent qualification. Individuals should then be able to access income-contingent loans to access higher level qualifications as is the case for higher education.

2. ACPET’s Position – National Training System

ACPET supports a strong integrated national training system (NTS) which allows for local diversity and flexibility but sees that the current, non-competitive practices in relation to purchase of training, restricts the delivery of flexible, time responsive training. Clients should be able to make an informed decision and access training from which ever provider (public or private) is chosen as the most suitable to meet their needs.

Learner-centred funding and income-contingent loans for training above AQF Certificate III level would develop a demand driven system of training (based on client needs) rather than the current supply driven system where Governments, use ‘not in time data’ to make decisions to purchase training for clients and direct provision of funds to institutions.

Based on the need to change the methodology and conditions around how training is purchased, ACPET would see the need to change how labour force trends are measured. Although the current process of collecting industry intelligence through environmental scans by Industry Skills Councils in collaboration with stakeholder groups is an improvement, ACPET does not see that this information will be time responsive enough to meet Australia’s current and future workforce demands.

In terms of the proposed reform action for the NTS, ACPET supports the following positions.

1. National regulatory body – ACPET does see value in a national regulatory body such as NARA however it must be recognised that there is also value with a number of jurisdictions. Multiple jurisdictions provides for an environment of more diversity and fresh approaches in managing a
complex system. The problem exists in a multi-jurisdictional approach of ensuring consistency in interpretation of the AQTF. The one national regulatory body would assist in providing consistency however ACPET support choice and therefore would prefer to see more options.

2. **Information and facilitation to clients** (individuals and employers) – ACPET support an approach which will ensure consistency and accuracy in the information available to clients. It is also important that accessibility to this information is addressed.

3. **Client choice** – ACPET fully support a system of funding following the client rather than funding institutions. As part of this approach it is important to expand the income contingent loan system for all education and training. With improved information (as per no. 2), the client can make an informed choice and with funding available can choose the most suitable training provider.

4. **Demand driven funding** - ACPET support a demand driven funding approach and recommend that all training up to Certificate III is fully funded with an income contingent loan system available to individuals for higher qualifications.

5. **Provider of funding** - ACPET support that the dual role of purchaser and provider of training by some states/territories is definitely separated and that the provider of public training funds, bases decisions on outcomes produced.

6. **Public training funds** - ACPET supports full contestability and as a member organisation for independent providers could play a role in determining quality provision standards particularly regarding financial viability.

7. **COAG National Competition Principles** – ACPET supports a training system where there is no advantage given to providers by virtue of their public sector ownership.

8. **Competition** - ACPET support the Boston consulting Group (BCG) recommendation from 2007 that there should be a ‘truly competitive national VET market’. Full contestability for the public training dollar including User Choice funds will help to improve the quality of delivery. Due to different state/territory policies in regards to User Choice, there is very limited access to this funding by private institutes in states such as New South Wales.

### 3. The needs of learners

Despite a limited competitive national market for VET, independent providers have managed to develop a significant and growing share of the training market. This growth has developed due to the private sector’s ability to quickly adapt to the needs of clients (individuals and employers) and deliver the skills training required. This ability indicates that it is the private sector which is well-positioned to deliver the flexible and time responsive training needed to equip and further develop Australia’s workforce as well as meet individual learners’ needs.

The ability of the private sector to meet the needs of job seekers and the likely increase in the unemployed due to the current global financial crisis is most evident through the Productivity Places Program. Under this program, the private sector which can quickly adapt to the needs of the learner, has and is delivering approximately 75,000 of the 77,000 places which have been allocated. It is the...
independent providers, delivering flexible, time-responsive training to learners which have the ability and drive to cater for the diverse range of learning needs, but to also deliver under difficult circumstances.

ACPET fully supports a training system where there is no advantage given to institutes by virtue of their public sector ownership and that there should be a truly competitive national VET market. Full contestability for the public training dollar including User Choice funds will help to improve the quality of delivery.

ACPET supports a demand driven funding approach and recommend that all training up to Certificate III is fully funded with an income contingent loan system available to individuals for higher qualifications. ACPET also supports a system of funding which follows the client rather than funding the institutions. With improved information the client can make an informed choice to choose the most suitable training provider.

In supporting full contestability for funding, ACPET as a member organisation for independent providers could and should play a role in determining quality provision standards particularly regarding financial viability and where there is no advantage given to institutes by virtue of their public sector ownership.

It is vital that in COAG’s focus on human capital and labour market efficiency and productivity that governments do not lose sight of the fundamental and inalienable right of individual learners and workers to be self-determining in a democratic market economy.

This observation is reinforced by the OECD priority given to building personal attributes relevant to a Knowledge Economy where it is in fact the ‘people’ who are the repositories of knowledge (and skills). The Bradley Review also argues

that a (reconfigured) Tertiary Education Sector must shift its approach back to being demand driven by student choice (self-determination over what and where individuals choose to learn) if Australia is to have any hope of maintaining its current OECD position by retaining or increasing the level of engagement and participation of people in education and training that is necessary in a Knowledge Economy post 2010.

The continued growth of the private sector in meeting the needs of learners, even when a significant portion of this growth is from fee for service programs not underpinned by government funding, is indicative that it is the independent provider which is not only meeting individual learners’ needs but is also engaging with industry to deliver flexible, time responsive training.

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1 Higher Education Review – pg 7
4. Issues to consider

ACPET support the need to develop a policy framework to enable VET qualifications and products to respond to changing labour market demand for skills needed by businesses, industry and individuals in the 21st century including the need to:

- redefine the term competence as currently used in the National Training System (NTS) to acknowledge cognitive thinking and personal attributes in accredited courses and qualifications within the Training Packages;
- review the appropriateness of qualification levels and descriptors under the Australian Qualification Framework (AQF) particularly above Certificate IV level;
- create more flexibility and portability within and across Training Packages to support the needs of industry and assist individuals move through industry and/or career pathways;
- encourage innovative learning and assessment practices to assist with the recognition of all types of learning; and
- develop a system of crediting all forms of learning as a means of gaining a qualification.

a. Definition and Development of Competence

ACPET agree that ‘the modern labour market has an increased emphasis on broadly based skills and knowledge which is not acknowledged within the current definition of competence’. Recognition of levels of cognitive thought used in daily work practices and the value of personal attributes must be considered within the term of competence.

It is important that the current term of competence is redefined to recognise the complexity of skill levels required by workers due to emerging technologies and progressive workplace practices. It is also important that in redefining competence for use in the National Training System (NTS) that recognition for increased cognitive thought processes is given for qualifications above Certificate III level which are suitable for the Para-professional within the industry or the student utilising the VET qualification pathway as a transition to a higher education qualification.

The advanced development of employability skills needed for Para-professional and managerial levels of work and therefore more applied use of cognitive thinking on top of acquired knowledge and skill levels support the case for the need to redefine the term competence. The updating of the term competence for the NTS will also provide for smoother transition between VET and higher education qualifications due to recognition of cognitive thinking at all levels of qualifications.
The focus should be on learning outcomes for the individual, described by the AQF descriptors as the current form and use of competence ‘limits the potential of VET qualifications to prepare learners for new and emerging roles and for further learning in new areas’\(^2\).

By redefining the term of competence, the building blocks (units of competence) for the Training Packages will be more suited to packaging qualifications. The current prescriptive process of building qualifications is not flexible enough to meet the changing needs of industry or to support individuals to progress through an industry and/or career pathway and therefore must also be changed.

**b. VET Qualifications**

The Australian Qualifications Framework (AQF) gives a platform for a single system. The AQF provides for a qualification and outcome capacities framework that should not only enable, but actively promote accreditation of tailored course development to meet the differentiated needs of VET stakeholders, including individual learners.

It is particularly important that the AQF and AQTF explicitly expand vocational recognition of and responsiveness to the urgent occupational need for higher order skill development. This is needed to better facilitate advanced level technical training at Certificate IV level and above, in addition to the supervisory and management priorities currently privileged in Training Package qualifications at this level. Such technical training may be discipline specific, but may also be cross-disciplinary where technologies are rapidly converging. Advanced technical qualifications at this level warrant a degree of customised specificity best developed as innovative accredited courses designed for specific purposes. It is this approach which will help to negotiate change and resolve current and emerging issues with respect to sustainability across all sectors of the Australian economy.

However, the current requirements around Training package qualification packaging and alignment, particularly above AQF Certificate III level are acting as a barrier to the needs of learners, particularly if not yet set on distinct occupational goals, and the need of industries undergoing massive change.

Australia needs to finish the incomplete reform of the AQF so that Vocational Education and Training includes only Certificate I-IV compliance with competency based training via Training Packages. This protects the trades while liberating VET Diplomas, Advanced Diplomas, Graduate Certificates and Graduate Diplomas to better aligned, differentiated, professionally-oriented curriculum content. This would enable VET to better equate with higher education outcomes and facilitate articulation arrangements between qualitatively enhanced applied VET qualifications and undergraduate studies.

ACPET would not support adding additional layers to the AQF by incorporating different tiers i.e.: competency and work related, as this type of organising framework would only increase confusion for participating stakeholders and clients using the framework.

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The system of approval for Training Packages (and therefore VET qualifications) by the National Quality Council (NQC) is not effective. The NQC is not representative of the market users – the client and providers (public and private) but is dominated in its representation by regulatory authorities and other government representatives.

The VET system along with its regulatory burden in the guise of quality assurance has been established by a self-perpetuating bureaucratic middle class of intermediaries and government or semi-government entities at both national and state levels. These intermediaries and entities are neither self-supporting nor directly productive in the VET system as they do not deliver training directly to clients. Rather, these intermediaries and entities act to increase their own influence over the system through regulation to (re)direct, curtail, discipline, monitor, frustrate and inhibit VET educators (public and private) from getting on with the job of teaching and training clients.

This bureaucratic overburden has grown exponentially in scale and influence since 1990 and now represents an unsustainable diversion of public and private VET funding away from the actual delivery of vocational education and training toward non productive compliance with prescription. This is a serious dissipation of the national effort that in the current economic climate now threatens the ongoing viability of the VET sector, especially given the acknowledgement 6 years ago of ‘a quality assurance system ... more compliance oriented than supportive of innovative practice’\(^3\).

Despite the introduction of the AQTF 2007 outcome-based model using a continual improvement system based on review of evidence gathered on a number of quality indicators, there is still a compliance oriented approach which is evident by the introduction of the AQTF Quality Indicators Resources Package. In which other industry, are enterprises regulated and forced to gather data using mandated instruments?

Currently, there are too many underutilised and patently unsupportable VET qualifications - 80% of publicly funded VET enrolments are in only 180 out of 1,592 Training Package qualifications with 70 qualifications not used at all in 2006\(^4\). This alone is a very serious indictment of the lack of relevance and efficacy of the Training Package strategy to date, despite its mandatory nature, and does not auger well for the future.

ACPET support broader statements of learning outcomes based on different levels and combinations of skill development and cognitive thinking underpinned by the employability (soft, core, generic, etc) skills and personal attributes.

The level of prescriptive statements, non-flexible packaging rules and anti-competitive funding regimes has acted to limit local, regional, national and international VET market contexts. The stringently enforced, legislative prohibitions on the differentiation and specialisation of VET product

\(^3\) ANTA 2002, noted in NCVER Literature Review p.13.
\(^4\) NCVER Literature Review pp 11-12
and service delivery, restricts the ability of providers to meet the range of needs of different clients of the system, especially individual learners.

There are some aspects of Training Packages which would be useful in attempts to build articulation across sectors and the aim of one tertiary sector. For instance, structured work integrated learning is invaluable and is needed across the education and training profession so that academics, teachers and trainers without experience of work in their teaching field can prepare workplace ready graduates. This is currently not the case as:

Findings of previous research … [on] skills lacking in university graduates … shortfalls are primarily in communication, problem solving, leadership and social ethics skills. … employers also [want] application skills where graduates can work to make systems more efficient … [plus] soft skills that make a graduate ready and efficient as an employee. … universities in general … have to work hand in hand with industry so that graduates are better equipped for the workforce. Nair and Patil 2008


c. Training Packages: Structure and Content

Independent providers, with their ability to quickly adapt, to be time responsive to the needs of clients (individuals and employers) and flexible in their approach to delivery would welcome a change to Training Packages to allow for:

- qualifications at AQF Level IV and above be redesigned to provide greater flexibility to cater for individual client needs;
- accumulation of credits towards higher education qualifications; and
- a system of crediting all types of learning towards the achievement of a qualification level.

ACPET recommends a partial deregulation of the VET system, with revisions made to the AQTF, to permit accreditation on merit of differentiated VET courses especially above Certificate IV level i.e.: AQF Diploma, Advanced Diploma levels and above. Training Package qualifications at Certificate I-IV levels that have and continue to prove useful, particularly where pertinent to trades training with licensing implications, should be retained and maintained.

This is a modification of the existing system that concurs with Federal Government goals for stimulating a more flexible, responsive and professionally self-sustaining Tertiary Education sector. This suggestion for partial deregulation would progressively free up the sector, allowing the educational pendulum to swing back to a more productive and more competitive, middle ground with incentive for providers to innovate and invest in growing VET scope and scale of operations.

Restrictive, complex and cumbersome content and outcomes, resulting from a burdensome, bureaucratic system, has constrained and narrowed the Australian training effort. This has been

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successful in actively stifling and depleting the Australian training system’s capacity for innovation, diversity and responsive in the face of rapidly changing technological, disciplinary and economic circumstances, not to mention the shifting social, cultural and environmental challenges yet to be overcome.

Training Packages have been enshrined in old, inefficient and often outdated industrial training perceptions, functions and practices that are of increasingly limited relevance in an advanced knowledge economy across all industry sectors that must compete globally to survive.

Naturally the concern of Government will be about quality. Quality can be readily maintained through slight adjustments to the AQF and AQTF.

There needs to be a broader definition of the purpose, outcomes and assessment strategies permitted in course design especially if the course is needed to meet the needs of a much wider range of stakeholders than just industry employers. High quality VET course accreditation can be readily based on ‘fit for purpose’, market relevance and alignment with Tertiary Education policies, selectively addressing different aspects of government priority for local, regional, national and international application.

d. Credit Systems and Recognition Arrangements

Systems, including the capability of the VET workforce, must be improved to recognise and credit all types of learning. The current system of compliance under the AQTF needs to be changed to ensure that quality, creative practices of educating, training and assessing can flourish and not be inhibited under a burden of auditing which stifles innovation through lack of understanding by auditors of learning and assessment principles.

ACPET support the need to align recognition arrangements and use of credit systems with global practices such as the Bologna process. It is also necessary that the:

Language for defining the descriptors of qualifications was based on a common conceptual model or taxonomy. This could facilitate understanding of the relationships between qualifications and credit transfer pathways. Such a conceptual framework could be developed in a way that does not diminish the capacity for each sector to adopt its own educational approaches to meet the needs of its clients.  

ACPET support a system which has the flexibility to acknowledge (whether this is by use of a credit framework) all types of learning so that individuals can continue to develop and become active participants towards a national workforce which is competitive with other countries.

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6 PhillipsKPA, Giving Credit Where Credit is Due, A National Study to Improve Outcomes in Credit Transfer and Articulation from Vocational Education to Higher Education, Department of Education, Science and Training, 2006
It is important that the same mistakes currently active in the NTS i.e.: burdensome, bureaucratic, regulatory environment, are not made in setting up credit systems and recognition arrangements. Quality and streamlined processes are essential but must be developed, implemented and maintained by the users of the system and not government officials.

5. Final comments on current system

In summary, ACPET strongly advocates that the following actions need to be implemented immediately:

1. alignment of this review outcomes with recommendations from the Higher Education Review in terms of one tertiary sector;
2. adjustments to the AQF and AQTF to allow for a Training Packages to be developed using a broader framework to encourage innovation and flexibility particularly in the development of courses above Certificate III;
3. establishment of representative decision-making and approval processes by users (clients and providers) of the NTS and therefore a breakdown of the bureaucratic structures which have been established and are currently limiting delivery and competitiveness of providers; and
4. enabling the fundamental and inalienable right of individual learners and workers to be self-determining in a democratic market economy.

Finally, ACPET would see that the financial savings of breaking down the self-perpetuating bureaucratic middle class of intermediaries and government or semi-government entities at both national and state levels could be invested into the professional development of education and training professionals.

This investment would ensure that the education and training workforce is equipped to develop the required programs and services needed by individuals and industry. By empowering this workforce, the government is also ensuring that the quality standards needed within one tertiary sector will be maintained by the practitioners and users of the system.

6. Contact

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