AUSTRALIAN COUNCIL FOR PRIVATE EDUCATION AND TRAINING (ACPET)

Response to the Discussion Paper: Skills and Workforce Development

Council of Australian Governments Working Group on the Productivity Agenda
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1. Introduction

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

ACPET welcomes the opportunity to provide feedback on the Discussion Paper: Skills and Workforce Development (the Paper) by the Council of Australian Governments (COAG) Working Group on the Productivity Agenda. ACPET supports COAG’s reform agenda to boost productivity, workforce participation and geographic mobility and the importance of human capital in improving productivity and workforce participation.

Australia now has a nationally accredited training system with nationally agreed outputs (qualifications), products (Training Packages) and a quality assurance system (Australian Quality Training Framework – AQTF). It is important that the National Training System (NTS) is continually improved and is driven by the needs of industry otherwise employers will move away from the NTS to non-accredited training, if the systems in place for accredited training do not provide for the preparation, upskilling and retraining of the employees needed by industry for today’s labour force needs and to compete internationally in future markets.

ACPET agree that the COAG objectives and outcomes are ambitious but achievable by targeting the challenges raised in the Paper (pg 5). As stated in the report, Learning for Jobs produced by the OECD Review of VET in Australia\(^1\), ‘it is important to implement an interconnected package of policy changes to help make Australia’s VET system more responsive to labour market needs’.

Despite a limited competitive national market for VET, private institutes have managed to develop a significant share of the training market – approximately 25% of domestic clients and 70% of the international student market. This growth has developed due to private provider 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.

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.

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\(^1\) Learning for Jobs, OECD Review of VET Australia, November 2008,
2. Sector capacity

2.1 Training Products

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 attributes;
- review the appropriateness of qualification levels and descriptors under the Australian Qualification Framework (AQF) particularly above Certificate III level;
- creating 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;
- encouraging innovative learning and assessment practices to assist with the recognition of all types of learning; and
- developing a system of crediting all forms of learning as a means of gaining a qualification.

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.

By redefining the term of competence, the building blocks (units of competence) for the Training Packages will be more suited to packaging qualifications. ACPET agree that 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.
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.

Private institutes, with their ability to quickly adapt, 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 which allowed for a system of crediting all types of learning i.e.: institutional, workplace and prior experiences towards the achievement of a qualification level.

2.2 Vet Workforce

ACPET strongly agree that the ‘VET sector needs a workforce that has the industry currency required to prepare learners for the modern labour market, as well as the ability and skill to engage a wide variety of learners across a range of mediums’. The VET professional needs to be valued and recognised.

ACPET supports a system to identify the VET professional including acknowledgement of the complexity of work demands faced by this individual. It is essential that any processes put in place do not place additional regulatory burden on individuals but rather a process which is valued and rewards the individual’s contribution to the VET workforce.

As the national industry association for private institutes, ACPET is well-positioned to assist in the establishment of a framework for recognition and a process for continual professional development. ACPET would welcome government contribution towards the establishment of a recognition system for the VET professional as a means of ensuring that the VET workforce continues to offer quality training to prepare Australia’s workforce.

2.3 Governance Framework

ACPET support ‘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. The client (individuals and employers) 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 deliver the required training.
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, using not in time data to make decisions, purchase training for clients based on 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.

3. Market Design

In terms of the proposed reform action, ACPET has varying views on the different proposals put forward.

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 private institutes 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 institutes 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.

4. Investment

ACPET supports the need to review policies which will encourage private investment. When an individual, business and/or industry can see value and return for their investment then that investment will take place. Investment in training is not isolated from other workforce planning issues i.e.: taxation policies, therefore it is important that any consultation process is fully comprehensive.

5. Indigenous outcomes

ACPET support the need to improve the participation of individuals from under-represented groups in education, training and the workforce such as Indigenous Australians. Although ACPET supports research, the organisation believes there is sufficient intelligence already gathered which identifies not only the problems with training for individuals from under-represented groups but also solutions which have been successful. Policy needs to change to support these successful approaches.

6. Workforce development and skill utilisation

ACPET support the need to develop policy which will maximise the utilisation of human capital. It is important that further exploration takes into account work done internationally i.e.: international qualification portability. For example, ECTS makes teaching and learning more transparent and facilitates the recognition of studies (formal, non-formal and informal). The system is used across Europe for credit transfer (student mobility) and credit accumulation (learning paths towards a degree). It also informs curriculum design and quality assurance2.

Intelligence needs to be gathered quickly as global economic circumstances and the pace of workforce change will impact on any future policy directions.

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7. Additional comments

ACPET support a system of research and consultation which provides a continual source of intelligence and a timeline for implementation of policy which does not disadvantage stakeholder groups i.e.: sufficient lead in time to make required adjustments particularly in market share, but also which is applied efficiently and is time responsive.