Response to VET data strategy: Mid-point review

The Allen Consulting Group

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1. Overview

The Australian Council for Private Education and Training (ACPET) is the national industry association for private providers 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 paper VET data strategy: Mid-point review (the Paper) by The Allen Consulting Group which has been engaged by the National Senior Officials Committee to develop a national VET data strategy to address perceived issues with current VET sector data arrangements and to satisfy the requirements of the COAG reform agenda and the sector's future data needs.

2. Position

ACPET is committed to a quality education and training system and supports the need for a consistent, efficient and targeted National VET data collection to be available to inform decision-making at National, State and provider level.

As stated in the report, Learning for Jobs produced by the OECD Review of VET in Australia, it is important that challenges faced by Australia, including ‘weaknesses and gaps in relevant data’\(^1\) are part of an interconnected package of policy changes required to help make Australia’s VET system more responsive to labour market needs. The multiplicity of data collections at the National, State/Territory and provider levels needs to be streamlined to enable providers to focus on core business.

ACPET also stresses the need for policy makers to understand the complexity of the private VET sector. This sector has grown based on the ability of private providers to adapt; and to deliver time-responsive, flexible programs valued by individuals and employers. A significant portion of delivery by private providers is based on fee for service and not government funding. Any policy decision connected with the collection and use of VET data from the private sector must take into consideration what the demands of this collection will have on the operations of private providers.

\(^1\) Learning for Jobs, OECD Review of VET Australia, November 2008, pg 5
A recent survey of ACPET members as part of the project ‘Expanding national VET statistical collections: Private provider engagement’ funded by the National Centre for Vocational and Education Research (NCVER), is indicative of private provider markets:

Q: Which of the following represents the largest number of your students:

1 - Domestic students 73.5%
2 - Onshore international students 10.8%
3 - Offshore international students 18.1%

Q. Please indicate which type of funding represents the largest share of your business.

1 - Fee for service (no government funding) 71.1%
2 - Government funded programs (not user choice) 18.1%
3 - User choice (apprenticeships & traineeships) 12.0%
4 - Other 1.2%

ACPET acknowledges the value of collecting all VET data instead of the current system of collecting only government-funded program data. However, as the national voice for private providers, ACPET is mindful of the labour and time demands placed on private providers to collect and report VET data. Particular demand would be placed on private providers which are 100% fee for service organisations and have never accessed government funds and therefore never completed VET data reporting requirements.

ACPET’s position for the collection of VET data aligns to the Council of Australian Governments (COAG) objective to reduce regulatory burden and compliance costs as stated:

‘... that effective regulation is essential to ensure markets operate efficiently and fairly, to protect consumers and the environment and to enforce corporate governance standards. However, the benefits from each regulation must not be offset by unduly high compliance and implementation costs’.

3. Principles

ACPET agrees with the view in *the Paper* that there is no one, comprehensive and complete data collection for the whole sector which results not only in duplication of data and collection effort, but also under-reporting of VET provision particularly from the private sector. If a consistent, efficient and targeted National VET data collection is to be developed then it should be underpinned by the following set of principles:

a. Transparency – each Registered Training Organisation (RTO) will have access to its own data;

b. Security and confidentiality – individual RTO data will not be available to any third party without prior consent;

c. Integrity – data is valid, minimal and current;

d. Efficiency – compliance and administrative burden will be minimised;

e. Legal conformity - data access arrangements should respect the legal rights and legitimate interests of all stakeholders i.e.: intellectual property, privacy and confidentiality;

f. Formal responsibility - access arrangements should promote explicit, formal institutional practices i.e.: rules and regulations;

g. Interoperability - technological and interoperability between systems must be a priority to avoid duplication and wasted resources;

h. Accountability - performance of data access arrangements should be subject to periodic evaluation by user groups; and

i. Sustainability - consideration should be given to the sustainability of access to data as a key element of the infrastructure.

4. Issues

The private provider sector supports the development of a consistent, efficient and targeted National VET data collection where the purpose of collection and use of data is clear, particularly if data for non-government funded delivery is to be part of the VET data strategy. At this stage, there is no clear evidence and/or connection in *the Paper* between the demand (on the private sector) for the contribution and the resulting outcomes for the private sector.

ACPET does not value the argument for the need to collect data on the basis of interest to selected parties. There needs to be a proven, direct connection between collection, use and the desired outcome/s. The benefit to the private sector is not year clear in comparison to the demands it would place on the individual provider.
Private providers are looking for a direct connection between the additional demand providing all VET data would have on their operations, particularly providers who have not previously been involved in providing data i.e.: 100% fee for service operations, and the outcomes for their individual organisation and clients (students and employers).

ACPET questions the preliminary recommendations put forward in the Paper based on the set of principles listed above. A number of outstanding questions and issues need to be addressed before the private sector would look to support a National VET data strategy.

To develop a National VET data strategy, there must be agreement from the suppliers of the data (public and private providers) about their contributions, including how the data will be collected with minimal regulatory impact using clear and transparent processes. Agreement must also be reached about how the data will be used so that the supplier of the data can see a direct correlation in output for effort.

There needs to be a commitment from the users of the data i.e.: Ministers, Government, in terms of legal conformity i.e.: privacy, confidentiality, sustainability and accountability. It is essential that demands for data are not increased without prior agreement from the suppliers of the data. As a supplier, there needs to be provision for individual access and reports to assist the supplier produce quality outcomes.

5. Proposed Directions

ACPET supports a number of the proposed directions, as listed below, proposes changes to other proposals and does not support the listed proposed directions.

Supported

- Pg 21 - Proposed direction: That inconsistency in the definitions of key data fields under AVETMISS is removed.

- Pg 23 - Proposed direction: Those definitions within AVETMISS that are currently interpreted differently by jurisdictions should be reviewed to remove any possibility of misinterpretation.

These directions are supported by ACPET providing that inconsistencies with definitions, including different interpretations by jurisdictions, can be removed. In the recent survey of ACPET members as part of the project ‘Expanding national VET statistical collections: Private provider engagement’ funded by NCVER, members indicated (95%) that clear definitions for data to be collected was the most important factor in contributing to a National VET database.
Supported with suggested changes

- **Pg 25 - Proposed direction:** That the sample size and frequency of the key existing national surveys be expanded and their questions refined, in line with other current ABS and COAG initiatives to enhance survey collections and performance indicator monitoring.

ACPET supports the expansion and frequency of survey instruments provided that the collection of data aligns to the set of principles previously listed and that other fundamental issues identified earlier are resolved.

- **Pg 23 - Proposed direction:** That the COAG Reform Council investigate the costs to RTOs of providing data to the national collection and consider reimbursing RTOs for these costs.

ACPET support the consideration of this proposal but do not support that this is the solution. The range of business models used by private RTOs to deliver quality outcomes will present difficulties when assessing the cost to individual RTOs of providing data. Questions need to be answered about whether the Government would consider financially reimbursing RTOs to provide information on non-government funded training, the viability of this idea particularly in the long term and the determination of funding levels - amount, indexed, guaranteed?

- **Pg 24 - Proposed direction:** That NCVER be responsible for collecting, aggregating and reporting on the totality of their provision.

ACPET supports that an agency appointed to collect and store data from private providers must be commercial and politically independent, knowledgeable about VET, clear in its ethical and service standards, and clear in its policies on access and confidentiality. The determination on what data needs to be collected and when, will help to clarify the most suitable agency for this role. It is important that in determining who, what and when data is collected, to take into context the role of Industry Skills Councils and employer associations in collection industry intelligence.

ACPET also suggests the need to consider collecting VET data through student outcomes by implementing a student-centred funding model rather than the current institutional and/or program based funding models. The precedent set by the Victorian experience in encouraging a higher level of accurate reporting from private training providers through its Skills Statement titled ‘Securing Jobs for the Future’ is a model supported by the private sector.
Not supported

- Pg 22 - Proposed direction: That the current Voluntary VET Provider Collection Specifications (VVPSC) be strongly promoted as an AVETMISS-compliant administrative data collection for private RTOs.

- Pg 22 Proposed direction: That an administrative data collection process for financial data on private RTOs be developed.

- Pg 22 - Proposed direction: That use of VVPSC and a financial data reporting system for private RTOs is a condition of registration.

ACPET does not support the collection of financial data on private RTOs particularly in the context of greater sharing. This proposed direction is not consistent with principles governing private enterprise in other fields and industries. ACPET proposes that the Corporations Act should remain the standard for determining appropriate level of public disclosure.

ACPET does not support the use of VVPSC and a financial data reporting system as a condition of registration. This proposal is not a current condition of registration under the Australian Quality Training Framework (AQTF) nor is it in the context of the AQTF which states the need for individuals RTOs to gather data relevant to measuring its own performance. This type of collection is only relevant within the organisation in measuring its performance over a period of time.

The COAG Reform Agenda focuses on reducing regulation (red tape). The proposed directions listed above would create additional regulatory requirements in an already highly complex, regulated sector. Enforcing this type of condition on RTOs may have the negative result of forcing RTOs to offer non-accredited training resulting in a severe impact on the use of the National Training System (NTS). The loss of providers in the NTS would be an expensive loss when more supply of training is needed to meeting existing skills shortages.

The current situation around the use of the AQTF quality indicators (QIs) as a means of tracking data is causing major concern amongst providers as the original intent of the QIs was for use by the RTO, within its own organisation over time, to determine areas of continual improvement. To misuse the AQTF for the purposes of data collection may result in a negative result for the NTS.

- Pg 25 - Proposed direction: That data repatriation processes and infrastructure be developed to meet stakeholder’s future requirements for timely, high-quality and comprehensive data.
ACPET does not support that data repatriation processes and infrastructure be developed. The right of choice about how data from the private RTO is used belongs to that organisation and any use of data outside of that organisation would require a legal, comprehensive agreement. Making data available to stakeholders, particularly those organisations with a conflict of interest such as State/Territory jurisdictions acting as both regulator and purchaser of training would need to be resolved.

ACPET does not see the correlation between the need for a wider release of data to more stakeholders with the need to expand the type of data collected. Data collections created through publicly funded activities, yet alone private enterprise data, is not always available in the public domain without restrictions on the use of the data.

6. Conclusion

In summary, ACPET reinforces the need for a National VET data strategy to be based on a set of underpinning principles, agreed to by both suppliers and users of the data and a direct correlation between input demands and outcomes. The VET sector needs a consistent, efficient and targeted National VET data collection to be available to inform decision-making at National, State and provider level but not if it creates unnecessary regulatory burden with no value for the private sector.