A. Introduction

B. Evolution in vocational education service delivery

C. Consultation Questions
   1. Improving the VET experience
   2. Lifting Performance
   3. Establishing foundations for growth
   4. Additional comments

Submission information

Mr Ben Vivekanandan
Manager Policy and Research
ACPET National Office
Suite 1, 126 Wellington Parade
East Melbourne Vic 3002
phone: (03) 9412 5912
Ben.vivekanandan@acpet.edu.au

Do you agree to your comments/submission being posted on our website or quoted? Please answer yes or no.

   a) I agree to Skills Australia posting this submission and/or attributing quotes. Yes
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 and 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.

ACPET welcomes the opportunity to contribute considered input on the Skills Australia’s Creating a future direction for Australian vocational education and training policy direction and Consultation Paper. This is an important and positive development direction. COAG has set new qualifications targets “to improve Australia’s lagging productivity and innovation levels”, and Skills Australia has “detailed the need to increase tertiary sector enrolments by at least 3 per cent a year over the next 15 years”\(^1\) For training providers, public and private, this presents the affirming challenge of growth.

Throughout this submission there are five underlying principles. ACPET asserts that these underpin a road map to deliver greater efficiency, effectiveness and equity for Australia’s VET system. These principles are:

- Increased student choice will promote greater responsiveness in the education market, enabling learning to be tailored to the diverse needs of individuals.
- Supporting enterprise to invest in knowledge and skill development of their existing and future workforce will increase national capability and productivity.
- Fair and equitable regulation will better preserve the desired standards for quality in learning outcomes and viability of the institution.
- Structural separation will promote the efficient use of public funds, through better transparency, increased competition and clearer incentive.
- Improved quality and performance of all professional staff underpins greater quality and accountability of service provision to students.

Private providers include commercial and not-of-profit entities, community groups, and industry and enterprise-based organisations. Research conducted for ACPET in 2010 indicates private

\(^1\) Skills Australia Discussion Paper, October 2010, p4
providers deliver training to 1.44 million equivalent full time students around Australia each year.\(^2\)

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

- modernise and improve Australia’s vocational education and training system,
- ensure the training system is responsive to the changing economy, students and employers, and supports more Australians in gaining qualifications and skills that will lead to jobs and serve workforce needs for the expanding and diversifying industrial base,
- 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 Australian work participation rate, and improving the workforces productivity; and
- improve the quality of VET outcomes, as well as of the mechanisms that support professional development, leadership and excellence.

ACPET strongly welcomes the opportunity to comment on issues that will shape the future direction of Australian vocational education and training in Australia. As indicated in this submission, ACPET providers are positioned to contribute substantially to achieving the policy objectives being proposed by Skills Australia.

ACPET will be pleased to work collaboratively with Skills Australia, the Department of Education, Employment and Workplace Relations and other stakeholders to refine, administer and achieve the objectives as set out by Skills Australia.

---

\(^2\) WHK Horwath, for ACPET, *Education Industry Survey 2010.*
B. Evolution in vocational education service delivery

This last decade has seen substantial changes in the Australian economy, workplaces, workers and their expectations of work, and in the demographics of the current and future workforce. The Coalition of Australian Governments (COAG), plus State Governments in their jurisdictions, as well as industry groups, are investing in change programs to substantially lift workforce participation, worker productivity and capacity to meet future needs.

Education for work is vital to Australia’s productivity and competitiveness agenda, and performance of the VET system is key to advances. The need to modernise VET to ensure responsive, effective and efficient delivery of training 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.

COAG and the Ministerial Council for Tertiary Education and Employment (MCTEE) have endorsed multiple programs 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. The Productivity Places Program (PPP) has been a major national exercise. The Federal Budget 2010 included a Skills for Sustainable Growth Package, financing three programs, Skills for Recovery, A Better Training System, and Foundation Skills including enhancements to the Language, Literacy and Numeracy Program, plus the development of a cohesive National Foundation Skills Strategy with learning entitlements.

Regulation is also to be streamlined through the 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 new policy direction and reform package for the vocational education system, the Australian Prime Minister and Education Ministers emphasise the need to transform our country into a highly-skilled community. Global competition means that the traditional industrial platform in Australia must transform. Economic and career opportunities are widening.

These positive pressures are similar to major reforms of the late 1980s and the 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 old VET system was inadequate for a de-regulated economy that had to be export oriented and internationally competitive. A new Vocational Education & Training Act 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'.

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 rising proportions of State 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:

"… 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.

Based on this response rate, data calculations show private providers delivered training to 1.4 million equivalent full-time students in both the vocational and training and higher education sectors across Australia over the previous 12 month period.

### Table 1. Private Training Provision by AQF Level

<table>
<thead>
<tr>
<th>AQF Level</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Secondary</td>
<td>1%</td>
</tr>
<tr>
<td>Certificate I &amp; II</td>
<td>8%</td>
</tr>
<tr>
<td>Certificate III &amp; IV</td>
<td>34%</td>
</tr>
<tr>
<td>Diploma and Advanced Diploma</td>
<td>20%</td>
</tr>
<tr>
<td>Bachelor Degrees</td>
<td>2%</td>
</tr>
<tr>
<td>Other AQF</td>
<td>21%</td>
</tr>
<tr>
<td>Non-accredited</td>
<td>13%</td>
</tr>
</tbody>
</table>

---

3 McPhee J, research paper 2003, [www.voced.edu.au/docs/conf/ncver/vetconf12/tr12McPhee3.rtf](http://www.voced.edu.au/docs/conf/ncver/vetconf12/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'.


5 WHK Horwath, for ACPET, [Education Industry Survey 2010](http://www.ceda.com.au). Private providers in Australia are delivering courses at all levels – Certificate I, II (8% of private provider provision), Certificate III, IV (34%), Diploma and Advanced Diploma (20%), higher education (2%), other AQF (21%), non-accredited (13%), across over 20 industries or fields [C.4].
The top five industry areas of private training delivery by private providers in Australia were:

- Community services, health, education;
- Arts, entertainment, sport and recreation;
- Tourism and hospitality;
- Business and clerical; and
- Building and construction.

These demand and supply patterns have been building over the last decades. 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:

- 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. This compared with the 1.7 million students in the public sector.

The progressive opening of the VET marketplace, including by 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).  

*Allen Consulting Group 2006.* "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

---

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

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.

Private training institutions are now arguably the ‘engine room’ of the Australian training sector. The contribution of the many private providers is under-acknowledged and invisible 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 enterprise, and others).9 The private training sector employs over 95,000 full-time equivalent staff nationally, including trainers and assessor, administrators, and support staff.

The recent national survey conducted for ACPET indicates that 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.

---

9 ABS, Year Book Australia 2009-2010.
10 WHK Horwath, for ACPET, Education Industry Survey 2010.
11 By comparison, NCVER data indicates that TAFE Institutes deliver to around 511,000 EFT students each year, of which 370,000 are undertaking courses at Certificate III and above, with some 10% of TAFE training being in skill set form. NCVER, Data extract from Australian Vocational Education and Training Statistics: Students and courses, 2009.
The evolving training delivery pattern in Australia reflects demands of both employers and individuals, as well as the quality 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 Australia to achieve even stronger returns by harnessing the vigour of private providers to lift VET training provision and participation.

The *Creating a future direction for Australian vocational education and training* Discussion Paper points to strong, clear and important issues aimed at reforming the VET sector across the nation.

In the following sections, ACPET considers the issues raised in the Skill Australia’s Discussion Paper.
C. Consultation Questions

1. Improving the VET experience

1.1 Workforce development – a new mandate for the sector

*If VET is to help industry and enterprises make the most of the skills of their employees how can training providers be encouraged to take on this workforce development role, how can this be funded and how should this investment be measured?*

ACPET believes that working more closely with industry enterprise, and supporting enterprise to invest in knowledge and skill development of their existing and future workforce will increase national productivity and capability.

ACPET contends that registered training organizations (RTOs) are already under pressure to improve the quality of training and assessment and grappling with their own workforce development needs. Furthermore workforce development requires access to levels of strategic planning and decision making to which the RTO may not have access. Therefore whilst some RTOs with appropriate capability may see an opportunity, the enforced requirement of workforce development should not be placed on all RTOs.

In order to support all RTOs in achieving appropriate levels of workforce development, ACPET recommends that:

- Public funding support for workforce capability development be applied at an enterprise level.
  - Government to establish a review of existing employer incentives to focus on maximising their public benefit by targeting incentives to increase employer participation and through co-investment with individual enterprises.
  - Enterprises are able to choose a preferred supplier from among all accredited providers of the required knowledge and skills.
  - Enterprises determine the level of skill development required for the enterprise e.g. skill sets, trade apprenticeship, other qualification.
  - Government support is provided where an employer agrees to engage people either currently unemployed or not in the labour force for an agreed trial period of employment and training.

Employers who run micro and small businesses need to be given help / assistance in workforce planning, i.e. identifying the skills of their current team and planning up-skilling / training initiatives for their current team, conducting an analysis / review of their current business and planning future human capital needs, etc. (e.g. the Victorian Government, through its Skills for Growth Initiative has commenced helping micro and small businesses with their workforce planning; based on the experience of my RTO the Initiative has resulted in a substantial increase in training activity within micro and small businesses in Victoria).

- Enterprises be encouraged to co-invest with individuals and governments where the enterprise accrues some of the benefits.
• Enterprises should support individual participation in knowledge and skill development in order to maximise learning and job outcomes for individual employees.
• Investment by the enterprise in workforce capability development is commensurate with the benefit to the individual enterprise.
• National or multi-jurisdictional enterprises have one consistent set of requirements for receipt of government funding programs.
  ➢ The Productivity Places Program has been a difficult incentive program for multi-jurisdictional enterprises and multi-jurisdictional Registered Training Organisations to navigate and effectively engage with due to differing program requirements from jurisdiction to jurisdiction.
• Legislative and regulatory requirements, whether attached to government funding or not, be transparent and explicit.
• Harmonisation of legislative and regulatory requirements is necessary for enterprises and their selected training provider.

1.2 Improving learners’ experiences of VET

If we are to get better results for learners do training providers need new or better ways of doing business? What aspects of VET delivery need to change and how? For example, work–based delivery; use of ICT; student support; qualifications offered; income support; employment services? Other changes?

i. Well informed clients

ACPET believes that individuals, as potential students at various 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:

• 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? Or training linked with leading edges of industries and winning awards or flexibility in location, or tailored services for employers and particular groups.

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. Being able to financially and procedurally choose education program and provider is a key factor in equivalence.

As identified 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 learning entitlement has a number of important and linked elements. Recognising the design considerations behind these, and budget limitations, ACPET:

• Supports 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 under-take 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 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].

ACPET also argues that the entitlement framework supports equity, increased participation and the development of higher level skills.

Providers that focus closely on students and teaching needs will achieve more 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. Focus, attitude, professional systems and staff development are key to lifting participation, reducing attrition, and achieving stronger outcomes.

Learning entitlement should open access to VET for a wider range of 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. Funding models need to take into consideration the cost of the provision of "soft skills" and "support" to students who experience difficulties in the learning process or who come from disadvantaged backgrounds. Whilst this would be a challenge to administer it could provide real benefits in ensuring that students that received additional support "got the support".

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. It is important that public funding levels recognise the need for quality in training (including effectiveness and usefulness). This is vital for less-advantaged individuals venturing into training pathways. The challenge is to achieve quality meaningful outcomes.

ii. Well informed RTO's

ACPET acknowledges that there needs to be a better understanding of the needs of industry and enterprises on the part of many RTOs, both private and public, from selection of relevant qualifications and units of competency, through to more flexible modes of delivery and assessment, in particular workplace-based models. There is also a pressing need for RTOs to
develop the capability to provide personalised support for learners in their individual contexts and with any LLN needs. Funding models that encourage and support this individualised approach are required.

ACPET would be pleased to partner with Government and stakeholders in order deliver professional development programs that focus on these areas.

1.3 Re-engineering apprenticeships

*Is the apprenticeship model the right one for the future or is it too constraining and bureaucratic?*

*What is the best way to raise apprenticeship completion rates and make apprenticeships more attractive to both individuals and employers?*

The Australian Apprenticeship model of training, despite a number of problems, is still considered as one of the most effective employment-based training models, nationally and internationally.

The strength of employment-based training, in pedagogical terms, lies in the provision of experiential learning in workplaces that complements experiences in educational institutions. The five main elements which make this an effective approach to developing vocational competence are experiences of the vocational practice, the duration of the learning contract, expert support, the link to formal education, and assessment and certification.

As stated in the report *Effective Models of Employment-based Training*, although Australian Apprenticeships continue to make a significant contribution to the Australian workforce, the full potential of the model is limited by persistent issues such as:

‘Inconsistent regulatory arrangements, non-compliance by employers and registered training organisations, poor audit processes, variations in the interpretation and practice of competency-based training, and wages and awards’.

Success could be achieved through a compendium of models to be used for Australian Apprenticeships and other employment-based training rather than the one size fits all approach.

‘Any new models of employment-based training should address existing problems, as well as take into account the emerging needs of industry for skilled labour. The design of the models must also address an ageing workforce and allow flexible entry points for all age groups. Furthermore, future employment-based training models also need to keep pace with how work is organised in an environment characterised by increased competition, outsourcing, casualisation and an emphasis on specialisation and innovation. What is becoming apparent is the need for a ‘compendium of models’, rather than a ‘one size fits all’ approach’.

---

12 NCVER report: Effective Models of Employment-based training, 2008, pg8
ACPET also contests that Skills Australia needs to examine policy and practices such as internships and work/professional integrated learning associated with higher level qualifications for the Para-professional. This analysis is needed as part of career pathway planning for Trades people. The use of employment-based models in enhancing quality learning for higher-level qualifications is an effective alternative to traditional institute-based learning.

The essential problem existing with Australian Apprenticeships in the current environment is the main requirement of this model - an employer willing to take on or retain an apprentice. The financial return on the investment in Australian Apprentices does not appear to an employer until a significant portion of the apprenticeship is completed i.e. when the apprentice becomes a productive employee.

Skills Australia should consider the key messages from the National Centre of Vocational Education and Research (NCVER) report *Cost of Training Apprentices*\(^{13}\) to develop a systematic approach to the factors which significantly impact on employers initially engaging and then retaining Australian Apprentices particularly during difficult financial times. The key messages from the report are:

- The apprenticeship model involves a substantial financial commitment from employers. The numbers currently involved in training apprentices attests to apprentices’ value to employers.
- The highest costs to employers are for supervision, as apprentice wages are more or less equal to their productivity.
- The effect of government incentives on employers’ decisions to train apprentices is minimal, as they do not represent a significant discount to employers.
- Apprentices also incur costs, based on the loss of potential wages (opportunity cost). The opportunity cost is very sensitive to the alternative wage available to the apprentice.
- Apprenticeships are more attractive to young people (because of lower opportunity costs) and will be unattractive to older people, unless the premium paid to qualified trades people is substantial.

Retention rates can be improved if the system becomes more flexible in the design and delivery of apprenticeship programs to ensure that they are relevant to enterprise and learners and are delivered more flexibly. Opportunity for a limited part of training to be conducted in non-work time is also recommended.

A supportive workplace/supervisor and a relevant training program are key to maximizing completions and retaining apprentices within the system. Much work is done by RTOs however as not all employers are suitable to provide the required support and spread of work. The notion of an “approved employer” would provide both recognition to quality workplaces and encourage better workplace support.

\(^{13}\) NCVER report: *Cost of Training Apprentices*, 2009, pg3
Participation in the apprenticeship system by small business needs to be more actively and appropriately encouraged. Large employers proving multiple sign-ups for the AAC provide a better business model. Meaningful and easy to access to support and information for small to medium employers would result in significant increases in participation rates.

2. Lifting performance

2.1 Shifting the quality focus

Are the current performance measures for the VET sector appropriate? Should we have greater focus on long term student outcomes in learning and work? On contribution to workforce development? On social and community outcomes? Others?

Should we be worried about low qualification completions rates in VET? Are qualification completions an appropriate success indicator? Should funding be linked to provider performance to improve student outcomes?

The VET system should provide students and learners who are seeking to obtain a full qualification with an environment that is conducive to reaching their goal.

The VET system and associated regulatory and funding framework should ensure RTOs are focussed on delivering to students:

- access to high quality learning materials;
- appropriate learning infrastructure;
- training packages that have had industry input; and
- competent trainers and assessors that have industry relevance and are committed to professional development.

These factors combined with an improvement in student selection processes will mean that the students have an opportunity to undertake qualifications of interest and benefit to them in a high quality RTO. It should be noted that a key component of Higher Education academic governance is student selection. Student selection processes within many RTOs are given a low priority and the AQTF is virtually silent on this matter\(^4\).

There are many ways in which the success of VET can be measured. When measuring success it is critical that needs of Australian industry and business are taken into account. When looking at benchmarking completion rates against the OECD there are number of matters to take into account. OECD and other comparable measures should not be used as the sole guiding benchmark as almost all countries have different objectives for their VET system and therefore have different foci. Accordingly we should not judge the VET system against the standards set out by the OECD or other external stakeholders, when these standards do not accurately reflect the needs of the Australian economy.

\(^4\) Standard 2.3 of the AQTF Essential Conditions and Standards for Continuing Registration states: Before clients enrol or enter into an agreement, the RTO informs them about training, assessment and support services to be provided and their rights and obligations.
ACPET contends that although qualification completions should be an issue of concern, this is not always a fair measure as qualification completion is not always the sole objective. Funding linked to whole qualifications may lead to perverse outcomes as some students who enrol into full qualification programs in reality only wish to study a few individual units or skills set, thus achieving their desired goal.

Some RTOs have reported to ACPET that in their experience, the main reason for withdrawal in relation to traineeships is a change of employer or even industry. In surveys conducted by RTOs, around 75% of cancellations were due to this reason. This is therefore not a measure of the quality of the RTO’s performance.

Measuring performance based on completions may also drive RTOs to be more selective in their enrolments and not offer places to students who traditionally are at highest risk of non-completion, eg. those with LLN needs or from indigenous backgrounds.

**What information about VET providers’ performance, including key performance indicators, should be made public?**

ACPET supports the development of career and labour market information, and data on scope and activity of providers. Quality control is a key element of registration and course accreditation at national and State levels. ACPET had developed a higher education benchmarking tool to enable members to enhance the quality of their offerings by benchmarking against grouped ACPET member information. This tool is now being extended for VET and will be in place by second quarter 2011. ACPET would be pleased to brief Skills Australia on our VET benchmarking tool.

The MySkills website will be an important initiative in bringing transparency to the VET environment. ACPET welcomes its development and looks forward to consultation on what metrics will be present on the website.

ACPET recommends that a balanced picture be provided that reflects broad outcomes, such as completions but also the proportion of disadvantaged learners enrolled, community benefits, student and employer satisfaction measures needs to be provided.

**How can the quality and relevance of graduate outcomes be improved? What is industry’s role? Is there a place for moderation and review of assessment by external bodies such as the Industry Skills Councils?**

The Quality Indicators provide a mechanism to gather employer feedback on graduate performance. Given the manner in which Quality Indicator data is collected there is scope for review and moderation. Feedback and evidence gathered through quality indicators must feed into the Industry Skill Council training package development.

Assessment practice is important but it all starts with the quality of the training. Improving teaching practice, program design, flexible delivery, support materials, engagement with
employers and by employers where relevant, value attached to the training are all important aspects that lead to quality.

Industry Skills Councils may assist with the professional development of practitioners in designing industry relevant programs, mapping job descriptions to the training package, understanding requirements and flexibility of units and qualifications.

How can we promote and support professional practice in VET teachers and trainers?

ACPET supports investment in quality and in the professional development of staff. This can be achieved through:

- Professional development being supported by government for all providers (public and private) to the level of public benefit.
  - Co-investment by government and training providers towards professional development of staff across a range of relevant areas including up to date knowledge of the VET system, excellence in teaching practices and methods for achieving social inclusion and sustainability within programs.
  - Initiatives in professional development being opened to all professional staff on an equal funding basis.
    Workforce Development Centre, Flexible Learning Framework.
- Trainers with recent relevant industry experience.
  - Recent industry experience being a key criterion in selection of staff.
  - Modern award explicitly recognises and rewards relevant industry experience.
- Industry development of quality improvement strategies
  - ACPET leadership of training provider quality improvement strategies.
  - Training industry initiatives credited against regulatory requirements.
  - Auditors be required to complete appropriate training.
- Professional staff in the private sector supported to train students with equity and access need.
  - A Disability Access program established to offset the minor capital costs to private providers of training of people with disabilities.
  - Fees for students with a disability to accurately reflect the cost of training and receive a government subsidy for the amount in excess of the average cost of training.

ACPET is currently developing a professional development framework to aid members and their staff in continuing to advance their skills and capability and to support ongoing deployment ACPET would be pleased to provide a briefing to Skills Australia on this initiative.

Consideration should be given to a better qualification pathway in VET, for teachers, trainers etc as there is in many industries, with progression through the AQF levels and funding/incentives through traineeship type arrangements, as other industries have.

RTOs may also be measured by the proportion of professional practitioners that they employ, which would in turn encourage them to support their staff in membership and PD. Such
engagement could be reflected in an RTO’s risk rating with their regulator, thus providing further benefit.

2.2 Better connections across sectors

What are the best models for future VET and higher education collaborations—dua-sector universities, formal networks of institutes and universities, or polytechnics? Other approaches? Is this something governments should facilitate or should it be left up to institutions?

ACPET believes that further work needs to be undertaken in exploring integrated tertiary programs, rather than simple and often crude articulation arrangements. For example, skills development by RTO in workplace settings and theory (or more advanced theory) in HE lectures, etc.

It is recommended that the best features of each sector should be identified, and use these features to benefit the learner.

What changes to credit transfer and/or articulation arrangements need to take place to increase the number of students who move between school, ACE, VET and higher education?

How can the links between VET and schools and VET and the Adult Community Education sector be strengthened?

ACPET recognises the 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 Adult Community Education (ACE) demonstrate Government commitment, and ACPET notes that consideration is being given on how to strengthen focus on foundation skill development and capacity for workforce participation. Interaction with State 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. It may be perceived that TAFE Institutes as public providers are positioned to support these learners. In reality, 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, in order 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 Australian Government 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.

There are significant differences in school based traineeship models between states. ACPET recommends an improvement in the consistent application of these models.

ACPET emphasises that 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. Many ACPET members are non-commercial and some receive ACE sector funding. Innovation would be assisted by funding programs that enable various private providers to work as partners.

*The Skills Australia Discussion paper seeks feedback on issues related to credit transfer and/or articulation arrangements needed to increase the number of students who move between school, ACE, VET and higher education.*

**School to VET – strong links with schools**

From the experience of members, ACPET contends that pathways should be clearer. There needs to be a blend of curriculum and VET at schools so that 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 a 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, also of VET and higher education, and would be keen to provide inputs to such reviews in order 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, should be harnessed by the Australian Government to meet skills objectives for the nation. *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’).

ACPET has recommended to the HER Panel, the Federal Minister, and continues to contend 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:

ACPET acknowledges that movement towards a single tertiary education system is occurring. The challenge that lies ahead is to maintain the momentum that is being generated by the imminent establishment of TEQSA and the National VET Regulator so that the goal of achieving a single tertiary system is achieved.

A particular barrier (and part of the marketplace reality) is that university academics generally have great difficulty understanding (and often are not interested in learning) 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 higher education providers.

ACPET and its members have been actively working to establish recognised pathways with universities. Earlier this year ACPET and Canberra University signed 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 regarding 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. Overall, individual
ACPET providers have faced difficulties in achieving recognition by universities for VET qualifications.

Theoretical intent has to translate into action. However, a key issue is the structure of VET training packages and variance of competency-based teaching and assessment processes in each sector.

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

3. Establishing strong foundations for growth

3.1 Funding sources for growth

*If VET is to grow how is this to be funded? What are your thoughts on increased tuition fees with income-contingent loans; increased co-funding of programs for employers; the introduction of an industry levy?*

It is important that there be a specific and well-understood funding model for the delivery of publicly supported training. Private providers and the reformed TAFE system will need this for efficient business operations. Whatever the arrangement, ACPET emphasizes the need for funding to be consistent nationally. The present state system means that there is no cohesion and growth is inconsistent, and in practice there is no national VET system.

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 that more detailed consultation take place as approaches are considered. In particular, complexities and hidden costs need to be examined.

As stated in Point 1.1 above, ACPET supports enterprises co-investing with individuals and governments where enterprises accrue some of the benefits.

ACPET favours:

- Funding support on behalf of enterprises.
  - Government needs to review existing employer incentives, with the aim of targeting incentives to increase employer participation and co-investment by individual enterprises.
  - Enterprises should have the flexibility of choosing a preferred supplier from among all accredited providers of the required knowledge and skills.
• Enterprises need to determine the level of skill development required for the enterprise e.g. skill sets, trade apprenticeship, other qualification.
• Government support should be provided where an employer agrees to engage people either currently unemployed or not in the labour force for an agreed trial period of employment and training.

• Enterprises should be encouraged to co-invest with individuals and governments where the enterprise accrues some of the benefits.
  • Enterprises should support individual participation in knowledge and skill development in order to maximise learning and job outcomes for individual employees.
  • Investment by the enterprise in workforce capability development is commensurate with the benefit to the individual enterprise.

3.2 Governance for the future

*What do you see as the top policy priorities to recommend to governments for a new intergovernmental agreement for skills and workforce development?*

ACPET supports the 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 would be demand-driven and the public funding would be fully contestable.

  • As ACPET notes above, this principle is key to a modern, flexible education system that will encourage student participation as well as provider responsiveness and innovation. Optimum outcomes are more likely in a demand-led and competitive training delivery system. Opening competition has already begun to achieve advances nationally

ii) ACPET supports the objective of developing and achieving effective competition in the VET supply market:

  • 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 adding regulatory layers to the agreed national regulation regime. Returns are unlikely to be higher than the extra regulatory costs and opportunity losses.

  • Consumers need to be well informed about provider performance and their learning choices. Performance assessment and reporting needs to apply equally to all providers.
• 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.

• 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.

• Industry (employers) 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 industry employers can see quick response to their needs is a clear way to achieve this aim. The continuing expansion of private providers supplying both general and employer-tailored programs confirms this.

• It is important that there be a specific and well-understood funding model for the delivery of publicly supported training. Providers 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.

• Skills Australia might consider phasing in an individual and enterprise training demand system without allocated caps on subsidised places. To encourage uplift of skills across the population, the vocational learning entitlement (with tiers of subsidy and student loan arrangements) would be available to students to undertake any recognised VET qualification or skill-set with any registered training provider.

• This would add another active group to the fine-tuning of the demand-supply balance, education providers themselves. In particular, private providers who depend on meeting needs of individuals, employers and the economy (seen in a strong record of delivery across award levels and industries), as well as refocussed TAFE Institutes keen to build custom.

One of ACPET’s priorities is increased student choice in order to promote greater responsiveness in the education market, enabling learning to be tailored to the diverse needs of individuals.

ACPET’s mission is to enhance quality, choice, innovation and diversity, ACPET considers that equivalence of public support to individual students, taking equity needs into account, should be a key objective in Australian education. Being able to financially and procedurally choose education program and provider is a key factor in equivalence.

As identified 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.

**How can any weaknesses in shared government responsibility be addressed?**

ACPET calls for a national system that will urgently address the issue of inconsistencies across jurisdictions.

**What type of flexibility might TAFE institutes need to operate effectively in a more competitive market? Are any governance reforms needed to increase operational flexibility?**

The *Skills Australia* Consultation Paper confirms the Government's intention to achieve marked growth in vocational training and stronger skills outcomes. Without this, Australia will not attain its economic and social objectives, will be less likely to fulfil plans for new and expanded industries, and will fall behind in global competition (refer to Australia’s workforce participation rates compared to other OECD countries\(^\text{15}\)).

The Consultation Paper reports that over the past few years, growth in VET has been “patchy” and that "publicly funded enrolments have increased on average by less than 1 per cent a year in the last five years”\(^\text{16}\). Between 2008-09, the number of students enrolled in public VET increased only by 0.4%.\(^\text{17}\) COAG aims at increasing the proportion of people with qualifications at Certificate III level and doubling the number of higher qualifications completions by 2020\(^\text{18}\). *Skills Australia*’s recent paper *Australian workforce futures* calls for an increase in tertiary enrolments (vocational and higher education) by at least 3 per cent over the next 15 years, and an increase in workforce participation from 65 per cent to 69% per cent.\(^\text{19}\)

The Consultation Paper reports that some 84 per cent of publicly funded provision is still delivered by the public TAFE system. Importantly, however, the Government recognises that the traditional VET delivery system must change if stronger results are to be achieved. This includes a review of publicly provided VET education.

A possible starting point for reforms could be that ‘there is no essential reason for vocational education to be provided by a public agency’. Each year, many complete a diversity of VET training qualifications, skill sets or short courses that enhance their capacity in workplaces and living, under the teaching and supervision of non-public providers [see section B].

\(^{15}\) OECD (2009) *Learning for the jobs: The OECD policy review of vocational education and training*
\(^{16}\) Skills Australia Consultation Paper 2010, p8
\(^{17}\) NCVER (2010) *Students and courses 2009*
\(^{18}\) Skills Australia Consultation Paper 2010, p6
\(^{19}\) Skills Australia (2010) *Australian workforce futures: A national workforce development strategy*
As cited in Section B, in 2010, the recent national survey conducted for ACPET indicates that private providers are delivering 74% of all VET, with 80% of this provided to domestic students, most on a fee for service basis\(^\text{20}\). 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.\(^\text{21}\)

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.

VET is strongly linked to work, and public delivery harks back to times when traditionally, Governments provided almost all general services. While ACPET recognises there is a history of TAFE investment, delivery and public roles, to consider, in two decades Australia has seen a marked and positive change, together with strong user outcomes, with the opening of service marketplaces to competition.

There are many examples at all education levels, world-wide, where a profit element sits well with quality, efficient, effective education provision, and sharpens market focus and service. Indeed, TAFE Institutes operate as commercial providers in delivering some forms of training.

Current feelings around the need for large public providers of vocational training are influenced by the existence of those institutions. The future could well depend on different models, and the flow of public funds should facilitate emergence of these models. ACPET advocates active moves to full contestability, and keeping an open-mind on mix of public and private provision.

ACPET agrees it is important that the public TAFE system be reformed to compete effectively and transparently in a market-based system with competitive neutrality principles operative.

The *Skills Australia* Consultation Paper calls for viewpoints on how the new positioning for TAFE might be defined and work. ACPET welcomes the opportunity to provide a series of comments below:

- The Consultation Paper appropriately acknowledges 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.

- While a small number of providers experience quality lapses at times, regulatory and market systems move to correct such issues for private providers. Quality should not be assumed in TAFE operation, just because it is public. Quality includes response to expectations of

\(^{20}\) WHK Horwath, for ACPET, *Education Industry Survey 2010*.

\(^{21}\) By comparison, NCVER data indicates that TAFE Institutes deliver to around 511,000 EFT students each year, of which 370,000 are undertaking courses at Certificate III and above, with some 10% of TAFE training being in skill set form. NCVER, *Data extract from Australian Vocational Education and Training Statistics: Students and courses, 2009*. 
students and employers with tailored programs and flexible delivery in order to achieve skills outcomes.

- Submissions to the current Productivity Commission review of the Vocational Education and Training Workforce are informative. While there are concerns about all VET performance, comments also indicate that private providers have achieved (and have the drivers and flexibility to maintain) focused staff able to deliver VET in response to student and employer needs.

- Australia's modern market-driven and competitive VET delivery system should apply the same performance and quality expectations to all providers. Current data indicates that the traditional way, through TAFE, has not achieved what the nation and its citizens need. To not harness the best of all potential providers would be a cost and a loss to the nation.

- Introduction of a market-based system should include reassessment of perceptions on market failure (open markets not working to service particular groups) or difficulties in servicing thin markets (small numbers of buyers). Views that only Government will service some regions or groups need to be tested without the presence of a resourced public provider.

- ACPET recommends that all broader services needed by Government be put to tender. Internet communications are facilitating new ways in training. Sharing access to public buildings would also reduce obstacles. ACPET considers the creativity and energy of a wider range of providers would be sparked by opening all needs to tender.

- Fair competition and competitive neutrality are key. 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.

- Public Initiatives in professional development should be opened to all professional staff, both from the public and private sectors e.g. TAFE Development Centre, Flexible Learning Framework.

---

22 ‘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

23 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.’
4. Additional comments

Structural separation will promote the efficient use of public funds, through better transparency, increased competition and clearer incentive.

ACPET contends that to create efficiency, effectiveness and equity within the VET sector the Government should strive to achieve functional separation between infrastructure and service provision to promote equal access to infrastructure and/or infrastructure funding.

This will ensure that the cost of publicly funded infrastructure is transparent within service delivery costs. Further, publicly funded infrastructure such as libraries and classrooms should be made available to public and private enterprises at a market cost.

ACPET is 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 needs 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 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. Whether vocational training is provided by a public or private provider, these costs will still be borne by taxpayers and individuals directly. If too high, services will be lost to consumers.

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 money costs of compliance checking.

From the Consultation Paper, ACPET understands the 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. As ACPET notes that:

- 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 the States adding regulatory layers to the agreed national regulation regime. Returns to the States are unlikely to be higher than extra regulatory costs and opportunity losses.

ACPET seeks to be involved in the detailed development of proposed regulatory structures and requirements.

Further information

Mr Ben Vivekanandan
Manager Policy and Research
ACPET National Office
Suite 1, 126 Wellington Parade
East Melbourne Vic 3002
phone: (03) 9412 5912
Ben.vivekanandan@acpet.edu.au