



16th April 2013

National Skills Standards Council
GPO Box 9880
MELBOURNE VIC 3001

Submitted via email

**RESPONSE TO THE POSITION PAPER
REVIEW OF THE STANDARDS FOR THE REGULATION
OF VOCATIONAL EDUCATION AND TRAINING (VET)**

Velg Training is the leading provider of professional development to the vocational education and training (VET) community.

Having served the VET community for over ten years, Velg Training's membership represents registered training organisations (RTOs) nationally, as well as those within the profession of 'trainers/teachers and assessors' including vocational education and training practitioners, TAFE teaching professionals, enterprise trainers and assessors, industry experts and other vocational education and training professionals.

With over 21,000 clients nationally, whom Velg Training regularly communicates with, including 3800 unique financial members and over 17,000 engaged subscribers, Velg Training is an advocate for the industry.

Whilst Velg Training understands the intent of this review and agrees with many of the problems within the VET sector which have been identified in the Position Paper, it would seem the position of the NSSC to adopt Option 3 will add significant costs and change upon RTOs with minimal perceived benefit.

As such, please find enclosed Velg Training's response to the NSSC's position paper on the review of the standards for the regulation of VET.

Thank you for the opportunity to make this submission and we welcome further discussion with the NSSC to clarify/expand upon any comments/issues made in this response.

Yours sincerely

A handwritten signature in black ink that reads 'Michelle Weaver'.

Michelle Weaver
Chief Executive Officer

RESPONSE TO THE POSITION PAPER REVIEW OF THE STANDARDS FOR THE REGULATION OF VOCATIONAL EDUCATION AND TRAINING (VET)

Velg Training concurs with *The Problem* issues outlined on pages 10-12 of the position paper and believes the issues within the VET sector are as follows:

- Compliance has become the focus of both RTOs and the Regulators and in doing so, both parties have lost sight of the outcome which should be quality training and assessment, and the subsequent nationally recognised qualifications/statements of attainment.
- Adding to this, the audit approach of the regulators (National and State) has focused on the paperwork evidence that can be produced at the time of audit, rather than looking at the return on investment and the transfer of the training knowledge and skills in the workplace.
- The array of training and assessment materials being developed by RTOs who deliver the same qualification questions the consistency of the outcome achieved by the learner.
- The lack of confidence in the quality of the Certificate IV in Training and Assessment (TAE) qualification being delivered by RTOs, especially as the mode of delivery and assessment can vary from a 'weekend course' to over 8 weeks.
- Many small or niche market RTOs are providing quality training and assessment outcomes to their learners but they are struggling to maintain a financial viable and compliant RTO business.
- Difference in auditor interpretation of the national standards (be it VQF or AQTF) has led to RTOs getting mixed messages from regulators as to what it means to be compliant.

On what basis do you support, or not support, in the NSSC in progressing a recommendation to SCOTese for moving to a new Australian Vocational Qualification System, as outlined in Option 3?

Whilst Velg Training applauds the position of the NSSC to raise the bar for RTOs delivering nationally accredited qualifications, Velg Training does not support the NSSC's position to adopt Option 3 for the following reasons:

1. Having an additional layer of regulation for some RTOs to become a Licensed Training Organisation seems to duplicate the existing system which allows for partnerships to occur within the current standards (VQF or AQTF).
2. The introduction of a license brings in additional costs with no or little benefit.
3. Apart from number 3 about the Accountable Education Officer, the proposed AVQS is a rewording of the existing national standards (VQF or AQTF) so why re-invent the wheel?
4. The increased regulation and costs as well as further change will mean the loss of some good RTOs and particularly those who deliver in thin/niche markets.

Strengths of Option 3

- Raise the bar for training organisations to deliver accredited training
- All RTOs want only 'quality providers' delivering accredited training
- One set of nationally agreed standards – regulated either by ASQA or the States
- Responsive regulation which supports and encourages quality training and assessment and applies sanctions, conditions and penalties as a last resort
- Principles of content and form
- Standards written in plain English so they are easily understood by all training organisations
- Trainers delivering the minimum training and assessment qualification set hold at least the Diploma of Vocational Education and Training
- Annual self-assessment process (in principle)

Weaknesses of Option 3

- Additional regulation and change for minimal benefit – much of the wording in the proposed AVQS exist in the current standards
- Having both Licensed Training Organisations and Non-LTOs – aside from substantial administrative changes in each business, this will create further confusion in the marketplace as to who can deliver accredited training.
- Another set of acronyms (AVQS) in a sector which is already drowning in them
- Again another change in a sector which has seen 5 sets of standards in less than 10 years
- 'Good' RTOs may walk away due to frustration and lack of energy to implement yet another major change
- Mandatory changes to business processes and systems to meet the proposed AVQS Quality Framework, and for many RTOs, this work (which was quite substantial) was only completed 12-18 months ago when they moved from AQTF to VQF.
- New wording in the principles of content and principles of form for concepts which are accepted as what is and has been guiding the VET sector for the last fifteen years
- Requirements that each training organisation has an Accountable Education Officer and that person must hold a diploma or higher level qualification in education and training
- No mention of not-for-profits as training organisations in proposed Standard 8 about financial viability
- Duplication of registration data in MySkills and training.gov.au websites and now training providers will have two websites they have to input/provide data
- Yet another formal assessment of trainers/teachers and assessors to demonstrate their skills which has resulted from issues in the delivering of the Certificate IV in Training and Assessment which have been apparent for at least ten years and not been addressed by the regulators.
- Increased regulation costs (in some cases over 100% fee increases) which seems to contradict a 'cost recovery model' and make it difficult for businesses to plan/budget as the fees and standards continually change
- Annual self-assessment could simply become another tick and flick to meet an audit requirement. The data gained in this would not be beneficial to ensure LTOs are monitoring their operations and striving for continuous improvement. This data would become as ineffective as the Quality Indicator (QI) data currently collected by RTOs.

The following element(s) of Option 3 should not be implemented

Licensed Training Organisations (LTOs)

Velg Training believes there is no need for LTOs because these arrangements already exist under the national standards.

- RTOs already apply to renew their registration every five years and pay re-registration fees and annual regulator fees and if successful, are issued a new scope of registration certificate so why is there a need for additional regulation?
- RTOs can already develop partnership arrangements with organisations who wish to deliver training and assessment under this arrangement. RTOs who currently have partnership agreements have to monitor the arrangement, manage all the risk, maintain all the records and issue the qualification/statement of attainment.
- Why do LTOs need to register their partnership arrangements with the regulator? How can the Regulator make a judgement call on how a LTO operates their business?
- Why does a new entrant need a provisional licence when under the current regulations, new RTOs are audited within the first 12 months of operations to ensure they are compliant against the standards; and have been able to deliver their 'plans' for training and assessment which were presented at initial registration?

AVQS Quality Framework Standards

Aside from number 3 about the Accountable Education Officer, the proposed standards are simply a rewording of the existing national standards and ASQA's General Directions so why do we need to change them again which creates immense administrative work for all training organisations?

Accountable Education Officer

The proposed standards state the Accountable Education Officer must hold a diploma or higher level qualification in education and training. Although the VET sector is primarily about qualifications, why isn't knowledge and experience gained through work/community service and the 'School of Hard Knocks' being valued? Where is the provision for 'demonstrated equivalence'?

The Accountable Education Officer concept is also not taking into account the delegation that occurs within an organisation that is primarily a commercial/not for profit entity which also has a RTO. In these instances, the CEO does not usually have an understanding of how a training organisation operates because this is not the primary focus of the business and they have devolved this authority to a RTO Manager. This also creates issues with the current Fit and Proper Person requirements.

It also doesn't address the different skills of those managing businesses – the CEO/RTO Manager is often (or should be) the strategic driver of the business who manages the operations of the business including the governance and financial viability. To now add the knowledge and skills of practitioners in training and assessment will not be practical for many training organisations (especially large ones) and for some training organisations, they may not have someone who has all capabilities and this will then be at the detriment of the business.

Non-government providers to be incorporated associations or incorporated companies

This provision will certainly mean the end of some sole traders who train and assess in niche/thin markets because of the cost (both financially and administratively) to change their business structure.

Why any element(s) of the RTO or Regulator Standards require changes but has not been considered or discussed in this paper, or in previous consultation documents?

Non-compliances – Assessment

Many of the non-compliances identified by the Regulators are in the area of assessment, usually because the assessment instruments that have been developed do not meet the principles of assessment and the rules of evidence; which means the tools are not valid.

If RTOs are not assessing learners using valid assessment instruments, then the value of the qualification/statement of attainment could be brought into question.

Why then is national funding not utilised to develop one set of valid assessment instruments for each unit of competency which all RTOs must use? This would address the issues of inconsistency/invalid assessment, and reduce the frustration amongst RTOs because of the time it takes to develop assessment instruments (time they don't have).

RTOs could then market their point of difference to potential clients in their training delivery mode/style/content but the market could be assured of the quality of assessment and the value of the qualification.

However, if this approach was adopted, there needs to be assurance for the VET sector that those organisations/personnel funded to develop the assessment instruments actually have the knowledge and expertise because in the past, this has not always been the case.

Industry Consultation

This can be difficult for regional and rural training organisations to demonstrate especially as they often are delivering training outcomes that meet the workforce needs of the immediate community which may not always address the 'industry needs'.

Add to this, some Training Packages and the units of competency within them don't always meet the needs of employers, nor do the core units or 'must' requirements in the Range Statements reflect the reality of industry practice which creates conflict and frustration for training providers, learners and employers.

Transition

The position paper is silent on the transition period for current RTOs to move from being a RTO to a LTO and/or losing their RTO status.

- What is the transition period, if any?
- What if current RTOs choose not to become a LTO but they still have 5 years on their scope of registration - can they still operate as a RTO until their expiry date?
- How are students transferred from RTOs to LTOs?
- Whose responsibility is this – the RTO or the Regulator?

What implementation of the preferred Option 3 would mean for your organisation and your clients and/or stakeholders

For Velg Training's members and subscribers, the implementation of Option 3 will mean:

- Immediate review of business operations to determine financial viability and business sustainability

If they choose to be a LTO, then there will be:

- Immense administrative changes to policy and procedures to change the numbering and content of the standards (VQF/AQTF), organisational details, marketing materials, parchments, job descriptions etc to the new AVQS
- Increased costs to pay for an audit and an additional fee for a license
- Increased costs to upskill and/or gain someone who meets the requirements of the Accountable Education Officer. As this position is being compared to a Company Secretary, this position would require a substantial salary, and for many training organisations, this will make the business financially non-viable.
- Additional administrative costs to maintain MySkills website data
- Additional administrative costs with the introduction of the Unique Student Identifier (USI)
- Having to budget for a number of 'unexpected audits' as a risk management approach to the business but with what appears to be no cap on the fees that can be charged by the regulator.
- These fees would most likely need to be absorbed by the business because very few training organisations are able to increase their prices – if they do, they will probably lose market share and thus financial viability.

If they choose not to be a LTO, then Velg Training anticipates the impact will be:

- Loss of smaller and innovative RTOs to the VET sector
- Loss of some schools providing VET qualifications to students as part of their senior secondary studies, which in turn will mean decreased intake of apprenticeships and traineeships; as well as a reduction of workforce opportunities as students won't have the entry level requirements as determined by industry. Employers' current levels of expectation is that students will enter the workforce with a bank of skills because they are used to having students come to them with an entry level VET qualification.
- Industry will walk away from accredited training and train staff themselves 'on the job' but the employee will receive no recognition of that skill.