



**SUBMISSION TO THE NATIONAL SKILLS STANDARDS COUNCIL
IMPROVING VOCATIONAL EDUCATION AND TRAINING: THE CASE FOR A NEW SYSTEM
A POSITION PAPER**

Response: 16 April 2013

Introduction

The NSSC Position Paper puts forward 3 options in outlining the case for new VET standards pertaining to the registration of training providers (and VET regulators). There has been considerable consultation and previous discussion papers reflecting concerns of the industry, employers and the regulators themselves.

In outlining the options in the paper, CCA concurs with the findings of the Council; that is, we reject both Option 1 and Option 2. CCA members have previously noted to their industry association, concerns relating to RTOs acting without integrity or commitment to the learner or employer. Therefore, we do not consider the status quo an appropriate position as defined by Option 1.

Option 2 appears unfair and could impact a sub-group of CCA members who have already noted that their costs to be regulated under this option are likely to be greater than those registered with the national regulator. The members are also concerned that it may allow opportunities for national VET providers to enter the state with lower cost structures for registration.

Option 3 should assist in ensuring not only a robust registration system, but also enhance the reputation of VET among learners, employers and the general public. CCA does however wish to identify some key aspects of the proposed changes which, in the opinion of our members, require consideration and/or amendment.

We note that many of our members are concerned at the level of administrative compliance that is increasingly causing their tutors less learning time with students or forcing additional staff to be employed. As not-for-profit community-based providers, a key aspect to the vocational learning undertaken and offered by community colleges is the focus on broad scopes. This is due to our dual remits of social inclusion (learning opportunities for all) and localised commitment (small classes and blended learning - face to face, workplace and online) to suit our suburban and regional learners and small business enterprises. Initial costs to ensure compliance with the new standards, for example, changing all documentation in all facets of the business from RTO to LTO, will be very time-consuming for organisations already concerned about 'non-learning' work burden.

The more resourcing is spent on business process the less the members are achieving their aims for their local communities. And, the higher the cost of administration and compliance the more likely colleges are forced to increase fees to ensure their modest surpluses. Individuals and enterprises don't directly "see" the value of increased compliance in relation to the quality of the learning they receive, so explaining course fee rises can be challenging, especially for equity groups and small businesses. CCA would therefore welcome, at the completion of this review, the Council (or another government agency) undertaking a marketing campaign to raise the profile of VET including identifying how the new standards will benefit Australia and Australians.



Governance and Administration

CCA and its members welcomes that the proposed standards will require all LTOs to be incorporated. This will subject all non-government VET providers to fulfilling business regulations. It may also encourage very small providers with niche delivery the opportunity to partner and focus on education delivery in a formal arrangement with another entity, rather than be burdened by legal and financial demands. (However, see our proviso to this statement under the partnering section of the submission).

We also welcome the proposed provisional licencing arrangements for new LTOs. However, in ensuring rigour around quality and training assessment for a new VET entity, CCA is not sure that the proposed standards would address an issue where an existing entity may radically amend its scope of qualifications without evidence that they have the appropriate systems in place to deliver. This may be important in the future if “skills in demand” change and governments alter policies and funding related to different qualification groups.

Management of LTO Business

Whilst we are supportive of financial modelling as a method of ascertaining the health of the training organisations, our members have legitimate reasons, often mandated by their constitutions, to recommend that non-government LTOs be assessed across a diverse (and sometimes different) ratios. CCA is unsure that any singular financial ratio should be part of a specific NSSC standard.

Community providers aim to make surpluses and manage an appropriate level of net assets on their balance sheet. However, there may be periods when a conscious decision is taken to operate short-term deficits to enable an activity or project which will benefit an individual, group or business to occur. The level of working capital needed for community providers may differ too, from that of other providers. There may be no requirement to build up large liquidity levels if for example a NFP provider does not need to invest in training plant and equipment or learning venues because they are made available to them at non-commercial rates.

CCA would recommend refining the new requirement noting that financial risk must be acknowledged and evaluated but that different organisation types could have different financial obligations placed upon them. We would also welcome further discussions with the NSSC in regard to defining “low business risk” for those LTOs whose business models have limited groups of learners funded by a singular source.

Regarding the change in terminology from RTO to LTO, CCA would welcome reviewing any research that has been undertaken with the public and industry, identifying that the name change would make a real difference to the understanding of VET. The members of CCA are concerned about the financial burden of moving to a new system on already time poor organisations. We have an unease for our members about the potential significant cost of the change for a not-for-profit organisation, which may ultimately have no or little impact on the quality of training they deliver to the student. Whilst the NSSC acknowledges there will be a cost to implementing the requirements, CCA is interested in knowing if there has been consideration given to time and monetary assistance for this. Given the many changes currently proposed and occurring in VET activities, the degree of compliance burden impacting and effecting VET providers is of concern to even the highest quality providers.

Partnering Arrangements

Whilst the NSSC has advised that it has no view on what is an appropriate number of registered LTOs, CCA and its members are concerned that the formalisation of partnering arrangements may be undertaken to encourage existing smaller RTOs to “opt out” of being a future licenced VET deliverer. Whilst the partnering standard proposed by the NSSC may be seen as a better method for some smaller existing RTOs to conduct business, we anticipate CCA members will choose to register as LTOs, to protect their organisations. Members have devoted



years in developing and maintaining quality training organisations at considerable financial investment. We anticipate they would be very reluctant to cease their formal VET businesses.

This presumption appears more likely based on current state government entitlement funding models. The viability of community providers may potentially be at risk if they were to become merely partner entities rather than LTOs, as it would preclude them from gaining government contracts to deliver entitlement funded courses. So whilst the partnering aspect proposed by the NSSC may be a better way of conducting business, for those VET providers wanting to be on the state entitlement contract lists, it will be irrelevant.

CCA members have previously developed quality models, templates and structures around partnering as one means of providing their local communities with the training they require. Having created and delivered subcontracting arrangements with other providers, some members have expressed concerns about the length of time formal partnering arrangements may take to be approved. Whilst such auspicing was not formally approved, the results were very successful. We note, however, that this form of sub-contracting took place between like-minded organisations. We cannot evaluate if larger private providers will demonstrate the same values in regard to community development and/or engagement as our members.

TAE Minimum Standards

This topic did not have consensus across the CCA membership. Some members consider that the current standard of Cert IV TAE is sufficient for trainers to deliver all courses. Others were insistent that the minimum standard for "train the trainers" should be a diploma and that TAE 40110 is an entry level qualification. However, we also note that in regional areas it may be challenging to appoint a person with a diploma to part-time teaching/tutoring roles. In discussion with other providers, members commented that they supported reforms that will not diminish the quality of VET education in general. However, as noted above, it remains a concern that rural/regional providers, where trainers/assessors are overloaded and difficult to recruit, will be disadvantaged under these reforms.

We do note, however, that as the majority of CCA members have most or all of their trainers with TAE, we are not consistent with the NSSC paper when it refers to only 40% of private trainers having TAE. This means that most members tend not to utilise supervision for experienced trainers who do not have TAE, but insist that all trainers have TAE.

Proposed Standard 1: Training and Assessment strategies

The requirements for teachers who do not hold the full Certificate IV in TAE10 is good to see clarified. However, one of the descriptors is unclear and is open to interpretation: "are restricted in the training they can deliver (i.e. type, learner cohort and number, mode of delivery)".

CCA would recommend that this descriptor be re-written so that the focus is on requiring the organisation to conduct an appropriate risk assessment which they could be asked to provide as part of an audit or dispute resolution. That is, the LTO should have to assess each trainer/assessor who does not have the minimum training and assessing qualifications and to provide limitations in accordance with their actual skills. For example, in the case of university tutors and lecturers with extensive experience in teaching and assessment in a university context, and who are training and assessing a class in their field in the VET Sector, it may be appropriate to have fewer limitations than in the case of a trainer who is new to the field. The descriptor should read: "have undergone a risk assessment by the LTO to determine the appropriate level of restriction on the training they can deliver (i.e. type, learner cohort and number, mode of delivery)".

We also note that as many CCA member trainers work only part-time for their local RTO and may be either also employed by a TAFE or operating their own business, that the assessment of their qualifications may

also need a different evaluation method. This is as opposed to the university lecturer where their industry skills are based on a different premise of academia.

Trainer & Assessor Currency

CCA notes that the proposed standards appear to require most of the responsibility for PD to be undertaken by the LTO rather than sharing the responsibility between the LTO and individual. Our members will be burdened by additional costs (especially smaller colleges). We would also note that many trainers and assessors work for a number of VET entities, not just one. They may therefore seek PD from either a range of LTOs or acknowledge that some of their training skills development could be at their own cost, especially if they are self-employed contractors.

We also consider that “current” industry skills & maintaining vocational competence will require clear definition. It may be possible for the standards to provide examples and guidelines to ensure clarity. CCA also acknowledges that the paper does recognise “Industry experts” not necessarily with the minimum qualification of TAE to be able to train under supervision and we consider this to be a good proposal.

Specific Issue:

Standard 9 is right to include Disability Standards, but the fact is that deaf students will still be excluded from courses by providers who claim the “unjustifiable hardship” provision in the Disability Discrimination Act and refuse to provide Auslan interpreters. Unscrupulous providers who claim “unjustifiable hardship” despite being able to afford to make provision are financially rewarded under the current system, and the standards will not prevent this from happening.

A national, central pool of funding for Auslan interpreting and captioning in private education settings should be established so that all students who are deaf can access all courses through all colleges. This would remove the financial reward accorded to providers who refuse to provide interpreters. It should operate in a similar way to the Employment Assistance Fund (EAF), which provides funding for interpreting in the workplace.

Accountable Educational Officer

The majority of CCA members responded positively to this new concept for the proposed national standards. As not for profit RTOs conduct more sophisticated businesses it is vital to have an educational expert in the organisation. However, we do not believe it necessary for that person to be as highly qualified as outlined in the position paper. We note there was a dissenting view; one member suggested that three years experience in the administration and provision of VET as well as management experience would be better than a prescriptive Diploma in VET.

We also caution that mandating an educational officer may have unintended consequences that could more severely effect NFP VET providers. Most CCA members currently employ an educational expert. In fact, some colleges may have 2, one managing VET and the other holding responsibility for LLN. The quality of these people is in their skills and personal attributes not necessarily their qualifications. CCA would welcome a discussion on this point particularly in regard to thin and regional markets where additional qualifications may not allow an LTO to identify an appropriate person or may be a deterrent to filling the position. In particular, given the accountability requirements for this position, CCA members have noted that the salary of such a position may have to increase due to market forces.

In smaller LTOs this position may be part-time or combined with other responsibilities which don’t require a Diploma qualification. The Diploma as a mandatory qualification may further disadvantage smaller LTOs which otherwise may be the only VET provider in a local area and with high standards of VET delivery in their



rural/regional communities. CCA welcomes the possibility that a CEO could also be the Accountable Educational Officer, in some limited entities.

CCA expresses its concern at the issue of “What happens if the key staff member leaves?” Whilst we appreciate that the NSSC does not want to have an open-ended recruitment period, there is an urgent need to identify:

- a transition period of grace where an LTO is still deemed to comply until they can employ a new Accountable Education Officer with appropriate qualification
- if an Executive Officer may be granted a skills set (via RPL) that could meet this gap should this scenario occur
- If RPL/financial assistance may be given to LTOs to up-skill existing staff (regional colleges are disadvantaged in attracting such staff and paying them at that Diploma level when they may be required to multi-task)
- Implementation of a professional development template for the Education Expert -

Learner Obligations

CCA members have written agreements in place for their learners when they enrol. They therefore agree with this proposed standard. However it should be noted that for low level LLN students a fair and equitable system will need to be created as they may not be able to read and write. Questions that have been raised in regard to the written agreement have included:

- Will there be a prescribed template?
- Or will LTO need to submit their version for approval?
- What constitutes “appropriate notice”?
- Timely access - will electronic access via a student management system be required?

CCA members also had strong views in regard to the student output survey. All colleges stated that the questions needed to be simpler and clearer especially for CALD clients. The nationally consistent student outcomes survey remains a good idea, but the national survey as it stands at the moment is incomprehensible to students with low levels of literacy. Any national survey should be in plain English and available in a range of languages including Auslan (the language of the Australian Deaf Community).

CCA and its members continue to express our concerns in regard to fees paid in advance. An assurance scheme for NFP community providers will require significant administrative costs. As more than 95% of CCA members clients are community based we would welcome further discussions on existing consumer protection schemes that may be relevant for educational fees. We are concerned that the proposed changes are being “driven” by the government’s memory of the collapse of colleges several years ago. There are now mechanisms in the existing standards to protect student fees. The notion of an additional preserved capital (p38) amount on top of the provision under the standards ‘ties up’ considerable cash and assets on the basis that a very small percentage (<5%) of colleges may collapse nationally. The proposals would significantly disadvantage small RTOs, which could lead to their failure. As in the same premise as the mandated financial ratios, CCA considers that there should be alternatives for community-based NFP VET providers.



RTO Re-registrations due late 2013?

CCA wishes to enquire as to the new proposed standards and new system - which are due to commence in January 2014. Would it be possible for those RTO's who are approaching audit in 2013, to have their registration extended to 1 July 2014? In this way they will not be forced to be audited under the old system, then have to change all their system/documentation soon after to comply (and perhaps need to be reaccredited again) under the new system. This will enable a transition period for those currently operating to fully address the changes, form partnerships if they decide, and formalize those agreements, have their agreements approved, and not have the financial burden of 2 rounds of re-accreditation within 12 months of each other.

Background to Community Colleges Australia

Community Colleges Australia (CCA) is the national peak body exclusively representing not-for-profit community owned providers of adult and youth education, training and learning in a local environment.

Membership comprises long established learning organisations located in metropolitan, regional and rural locations. The colleges offer socially inclusive and progressive learning environments with a focus on student welfare and a commitment to employment outcomes and personal development of individuals. Colleges work with students and industry to develop flexible education options to ensure appropriate vocational pathways and learning actions.

CCA is committed to assisting members grow their business and thereby to enhance the learning opportunities for all Australians through all stages of their adult lives. CCA promotes 'real education for today's Australians' by delivery that engages and belongs to local communities. Our vision is for Australia to achieve more dynamic and vibrant communities, informed and empowered through learning.