

**SUBMISSION TO THE VET TRANSPARENCY REFORM BRANCH (DIISRTE)  
VOCATIONAL EDUCATION AND TRAINING (VET) ACTIVITY DATA COLLECTION  
JULY 2012**

## **Introduction**

The Australian Government Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) is currently assessing VET information and data needs and the future requirements by Government to have greater transparency to support its VET decision making. To date COAG via DIISRTE has identified that there is insufficient data being collected from the sector and this is impacting on the understanding of VET by the Government, the sector itself and the general public. Some of the restrictions currently include:

- Only TAFE and community education sector mandated to report all data; and
- Private sector VET organisations obliged to report for those programs funded by government only.

These points observe the historic context of government-funded VET and it is acknowledged that with significant changes taking place in the VET sector, specifically the switch to demand-driven entitlement funding models, it is timely to review the learning outcomes for the investment provided. Historically, the concept of suppliers receiving 'core' funding on an annual basis from federal or state Government departments through proving that the money was being appropriately expended on accredited training, meant the statistical collection of VET information was mandated to the public provider and ACE entities only.

As with the majority of all VET providers, CCA members are committed to either employment outcomes or higher education opportunities for their learners and accept that in-principle the collection and collation of data assists individual colleges, their peak body and indirectly the whole sector to gain insight into training inputs and outcomes by different student groups. With these comments in mind, CCA is pleased to provide the following input into the debate around VET data collection.

## **Background to Community Colleges Australia**

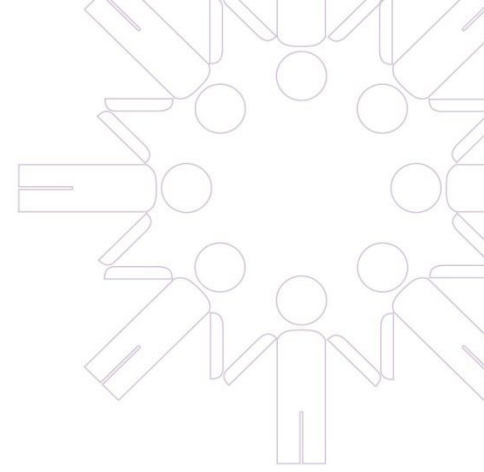
Community Colleges Australia (CCA) is a member-funded peak body. It was formed in late 2006, recognising a need for an industry association at a national level to represent not-for-profit (NFP) community owned providers of adult and youth education, training and learning in a local environment. It currently has 65 members representing the significant majority of the VET delivery by NFP providers on the eastern seaboard of Australia. Our members have a combined annual turnover of \$200M and deliver 7.5 million student contact hours of foundation skills and VET each year to over 200,000 students.

Membership comprises long established learning organisations located in metropolitan, regional and rural locations. The 'community colleges' are strategically placed to provide a focus on student welfare with commitment to the employment outcomes for, and personal development of, the individual.

CCA is committed to assisting our 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 and training.





## Costs and benefits to stakeholders

Identifying the stakeholder in this matter to be our RTO members, CCA would acknowledge that providing data has come at a cost for NFP community providers of training. Historically, many NFP providers would have utilised either volunteers or part-time employees to undertake student liaison. These people's skill sets would have included empathetic understanding and customer service for learners uncertain of the education process, or even unsure of whether this type of learning was for them. Collection of data was subsidiary to ensuring students were placed in appropriate courses and satisfied with the training course they had chosen.

However, as requirements changed and ACE providers were required to submit data on each and every learner, the pressure for staff to obtain compulsory statistics has required different skill sets and did not suit the role that many volunteers or part-timers had previously fulfilled. The costs for organisations became not only an investment in computer-based data records but also an increase in salaries as volunteers were replaced by paid employees who were required to have some knowledge on data input and gathering specific information from each and every student. More recently some members have also noted that very specific compliance requirements for data capture by some state training authorities has caused considerable financial stress for our colleges and with great reluctance long-term loyal staff have had to be replaced with persons whose key skill set is data entry and analysis, rather than student liaison and welfare.

Without being able to put specific cost figures on current data compliance it would be correct to state that for most NFP community education providers they have outlaid to date at least \$1k-\$5k in software systems and between 0.5-1.5FTE additional staff. With 60% of CCA membership being considered a small business, that is an RTO with less than 20 staff or turnover of up to \$3M, this has been a significant cost impost.

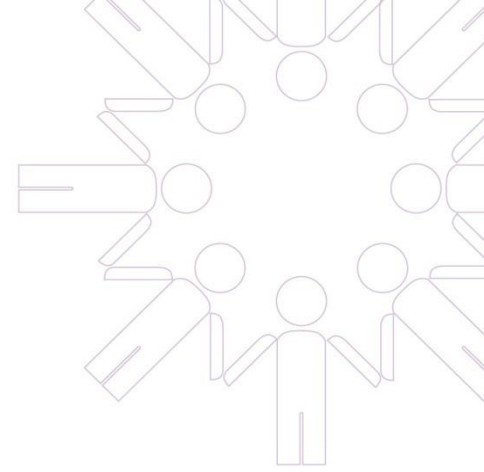
The benefits to our members has been through confirming empirically the stories relating to learning successes, especially in relation to disadvantaged, low socio-economic and equity groups. In addition, it enables RTOs to benchmark some of their business activities against like-minded entities.

A primary benefit to Government as a key stakeholder has been to gain a clearer understanding in regard to persons undertaking VET study. However, CCA would argue that current data collection could be significantly improved upon to give a better evaluation of the sector and the students in it.

## Option 3 - Benefits and Costs

CCA fully supports the Government proceeding to Option 3. It can only benefit the sector to have full and comprehensive reporting on the individuals (and businesses) studying and using VET for workforce participation and productivity. Our argument on the implications of this option for those RTOs who are not currently reporting data, or only reporting some data, is to note the following. As part of the registration process to become an RTO, an entity has been granted the privilege of overseeing the education, learning and training of an individual and subsequently certifying successful students. It therefore should be an *obligation* to report as proof of responsibility and in return for the acknowledgement of being a registered training entity.





We would also contend that all data, whether fee-for-service or government assisted should be reported, as with the change to the demand driven system, it is no longer the supplier of VET services entitled to access government funding, but rather the student. Therefore there is no differential between an RTO who gains some government assistance through an individual or workplace request and/or a full fee-for-service provider.

Notwithstanding the above comments, CCA acknowledges that for some RTOs, either small entities, or possibly enterprise/workplace organisations, updating computer systems will be a cost imposition. Our members know that this is not just the dollar cost for new software but also the up-skilling of staff. CCA would strongly argue that to assist in both of these matters, both Federal and State Governments, and different agencies within the same jurisdictions, request data in the same format. A strong degree of frustration currently exists with providers where different training programs insist on different compilation requirements.

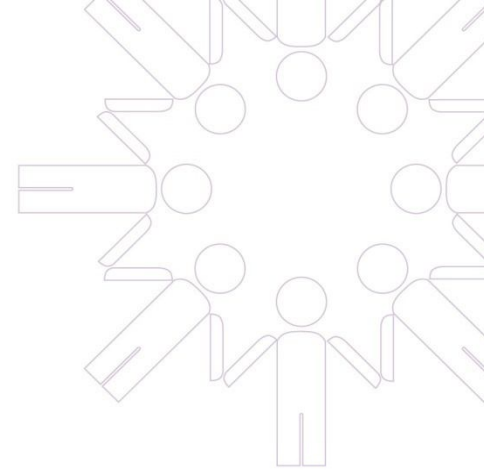
## **Student records management software**

Like any computer system, student records management (SRM) software will not/ cannot remain static. Our members have identified that as their businesses grow, or scopes change, or regimes alter, it is necessary to update and in many instances change the SRM software in use. CCA members would also acknowledge that increasingly their SRM needs to be more than an enabler of data provision to a state training authority or NCVET. It has become a core component of business management and therefore often needs to interact with financial, time management and HR software systems.

Future capacity of SRM and data provision has implications for all RTOs, but more especially small entities and NFP community providers. In the regulation impact statement one impact for consumers is noted as financial costs being passed on to consumers being tempered by fee information provision on MySkills. CCA notes that the challenge of continuing to have valid IT currency is likely to have a greater financial impost on smaller businesses. Large RTOs will be more able to absorb the cost of new SRM software across many students. However, those entities (especially in regional or low socio-economic regions) that provide high quality training to fewer students may either have to absorb the costs (how?) or attempt to explain on the MySkills website why their fees are increasing.

So in noting clause 85 and recommendations to assist smaller organisations it is vital for Government to appreciate that developing data tools may not be a 'one-off' assistance during a transition to Option 3, but an issue that could be on-going. CCA does not presume to be able to identify what data provision may be required in 5 or 10 years time and therefore cannot guess what the future capacity of SRMs will need to be. We would however note that the one constant in VET is change and our members know that any or all change will require on-going attention and alterations to their SRM software and staff skills.





## **AVETMISS compliant software systems**

CCA notes that the RTO survey has provided some useful response in regard to the costs for RTOs to provide data in AVETMISS compliant format. CCA was interested in noting both the quite high number of hours and associated costs involved in the submission of data in AVETMISS format. This may lead to an argument for other software systems to be used to provide data to NCVER or state training authorities. However, we would caution against allowing too many alternative (simplified) SRMs that may not input data with the same or similar functionality as AVETMISS; if only to avoid any misinterpretation at state training agency or NCVER level. Consistency of data in will provide accuracy of reporting out and this will be vital for all stakeholders to have confidence in the information being provided on VET.

In preparation for the introduction of the USI from 2014, it is perhaps also timely for a discussion regarding SRM systems and the need to manage the easy transfer and recognition of a learner's educational record across a wide range of training entities; and not just the VET sector.

## **To which authority should data be provided?**

There may be no simple answer for the preferred data collector. For organisations (an increasing number) who deliver training in more than one state jurisdiction it may be preferable to provide statistics to a national collection agency. However, for on-going and new state training programs there will be a necessity to provide information back to the state funding agency.

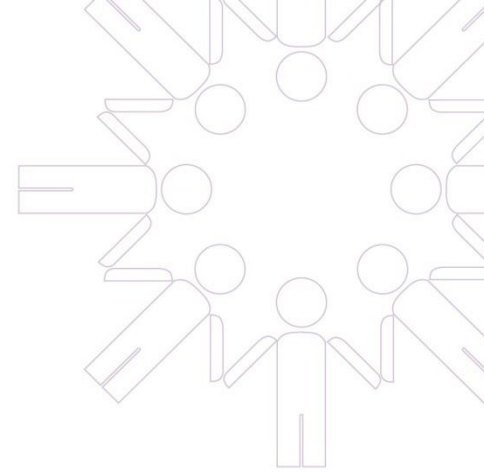
As noted earlier in this paper, one current challenge for RTOs is the number of different data reporting templates/methods required by different agencies. A recommendation from CCA is therefore that DIISRTE and/or COAG identify a process whereby government projects relating to VET follow very similar data input requirements, regardless of whether it is federal or state and regardless of whether the funding is coming from an education or training portfolio or a separate government agency. It is currently a high level of frustration for CCA members and their staff and a considerable time impost that for each 'type' of learner different reporting requirements are mandated.

## **What type of information should be reported and what data should be publicly available?**

CCA notes that there has been significant debate recently regarding 'completion rates' in VET and our members would challenge this notion based on the premise of current data collection. We would strongly recommend that there was a focus on being able to indicate 'gaining a job', 'returning to being a carer' etc as part of information to be reported.

This is just one specific area where we are recommending improvements to current data collection and we would be pleased to provide more if required at a later date.





One concept that CCA members are often challenged by is the notion of an individual's privacy vs. the need for data collection. Some groups of learners are particularly vulnerable to providing personal information; often to the detriment of their potential learning experience (that is they choose not to participate on being advised of specific personal information being required). In other cases a student may not be able to provide the necessary information (lack of a birth certificate being just one simple example).

It is therefore imperative that solutions are found to ensure a clear understanding for these learner cohorts to be assured that the information being collected will not be made public and will not personally identify them.

## **In Conclusion**

In summarising the issues that have been identified in this regulation impact statement, CCA would highlight:

- A move to a comprehensive model for national VET data collection is now required;
- There will be on-going cost implications for all RTOs but especially smaller entities;
- Governments should assist in standardising data collection by identifying model templates for information requests regardless of the funding program (where it pertains to VET learning).

CCA is confident in recommending that it is time for the VET sector to have a comprehensive collection process. We believe that it will not only provide better information on how and where workforce participation and productivity is being undertaken or improved but will also assist all stakeholders gain a comprehensive understanding on the full VET marketplace.

Notwithstanding these comments, we have some caution for smaller RTOs where the cost of IT compliance currently and in the future will continue to be challenging. It is important for Governments to recognise that economies of scale assist larger entities absorb ongoing information costs more easily than smaller organisations. It is therefore critical that Governments play their part by making data collection as simplified as possible across the full range of VET delivery.

Finally we would note that there is an opportunity during this activity data collection process to revisit the information currently being collected in order that a more comprehensive evaluation of the VET sector is able to be provided to Governments and other stakeholders, including the general public, in the future.

We thank the VET Transparency Policy Unit of the DIIRSTE for the opportunity to provide input to the process and look forward to an opportunity to further elaborate on any of the points outlined in this submission if required.

