



Submission to the Review of the National Vocational Education and Training Regulator (NVETR) Act 2011

by Community Colleges Australia
18 August 2017

Background

This submission by Community Colleges Australia (CCA) to the Review of the *National Vocational Education and Training Regulator (NVETR) Act 2011* follows on from a meeting that CCA representatives had with the Reviewer. This submission is based on a survey of 20 metropolitan, regional and rural CCA members that deliver vocational education and training (VET) and are regulated by the Australian Skills Quality Authority (ASQA). This submission highlights the views of the low risk, learner-centred, not-for-profit community-based organisations that characterise the sector.

The submission is accompanied by a separate document that details the problems and issues arising from improper marketing and public information provided by Australia's private for-profit Registered Training Organisations (RTOs), entitled *RTO Marketing and Naming* (3 August 2017). In that document, CCA details the confusions that have arisen by misleading naming and marketing activities by private for-profit RTOs, and requests that ASQA's powers be broadened to include the ability to review, regulate and act on marketing and naming abuses.

CCA and its members all believe that the efficient operation of the Australian Skills Quality Authority is an essential part of ensuring the quality of Australia's VET sector.

About the NVETR Act Review

The *NVETR Act* review is being conducted by Professor Valerie Braithwaite for the Australian Government Department of Education and Training to ensure the ongoing quality and reputation of Australian VET. The Review focuses on the legislative framework of sector regulation that is sustainable, efficient and effective and responds to the needs of students, training organisations and employers.

As approved by the Assistant Minister for Vocational Education and Skills, the terms of reference note that the reviewer will make recommendations regarding the *NVETR Act* and its subordinate legislation to ensure its capacity to:

1. provide the regulator with functions and powers that are relevant and suitable to the current and future VET environment;
2. enable the regulator to use its existing powers in a timely, effective and transparent manner;
3. enable the regulator to apply a responsive, risk-based regulatory approach and effectively detect non-compliance;
4. enable the regulator to consider student outcomes in making regulatory decisions;
5. provide appropriate student protection mechanisms;
6. ensure only an appropriate level of regulatory burden is imposed on RTOs;
7. ensure VET consumers have access to appropriate information;
8. ensure regulators can effectively manage qualification types which may be delivered in both the higher education and VET sectors; and
9. facilitate an outcomes-based approach.

The reviewer will also advise on the implications of their findings and recommendations for the operations of ASQA.

About Community Colleges Australia

Community Colleges Australia (CCA) is the peak national body that represents community-owned, not-for-profit education and training providers. Our vision is for dynamic and vibrant communities, informed and empowered through learning. To make our vision a reality, CCA works to empower Australia's community education sector by:

- increasing the awareness of the sector and its place in the economic and social fabric of our nation;
- advocating at all levels of government on the value of the community education sector, and for our members' activities and programs; and
- building business opportunities for our members and our sector.

CCA is committed to assisting its members to sustain and grow, enhancing education and training opportunities through choice. CCA promotes learning innovation by delivery that engages with and belongs to communities, focussing especially on vulnerable and disadvantaged learners. The majority of CCA members are Registered Training Organisations (RTOs) for vocational education and training. Our members are long-established community learning organisations located in metropolitan, regional and rural locations. They focus on student welfare and are strongly committed to employment outcomes.

CCA was launched in 2007 through a merger of Community Colleges New South Wales Victoria and Community Colleges Victoria. While CCA is relatively new, our members have been providing flexible and dynamic learning and training opportunities to individuals, groups and businesses for a long time – in some instances more than 100 years. As well as operating in VET, CCA members offer a range of other learning opportunities, including non-accredited training, lifestyle and lifelong and cultural learning courses – education for which they are historically well-known. These educational activities help build self-esteem, re-engage “missing” learners and create and sustain social and community networks, all of which help to reinforce and sustain regional economic development.

Community education providers have three unique advantages over other VET sectors:

1. Our sector's history permits our members to be strategic and innovative in their flexibility to employ a wide range of tools. Our sector plays a strategic role because our members have the freedom to take considered risks.¹
2. Our members are not bound by government structures in the way that TAFEs are. Nor are they beholden to private shareholders to supply cash dividends (or growth) in the way of for-profit providers.²
3. Our members have an historic commitment to invest in their communities and respond to the needs of vulnerable and disadvantaged Australians, including a commitment to foundation skills. They do this through small class sizes, focussing on personal support, and creating connections to and collaborations with local non-government organisations, government agencies, social services and employers.

For further information

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¹ In October 2016, CCA ran a "Community Education Innovation Prize". View details of the winner and finalists here: <https://cca.edu.au/what-we-do/2016-cca-annual-conference/cca-innovation-contest/>.

² Most community providers receive substantial amounts of state government funding to provide accredited VET programs, particularly to vulnerable and disadvantage learners.

The Views of Community Education Providers: Summary

To prepare this submission, CCA undertook a survey of its member community education RTOs to ascertain their views on three aspects of their experience of ASQA regulation: (1) staffing requirements for compliance; (2) how the “burden” of compliance might be lessened without reducing quality; and (3) general comments about ASQA and this Review.

An overview of the responses from 20 CCA members follows.

Resources and Staffing

The size of the organisation and the scope of qualifications offered impacts the resources required to manage compliance. Compliance work is linked and often reinforced by reporting requirements under state training delivery contracts. Most community education providers are quality RTOs considered “low risk” both by ASQA and state government departments.

The survey of CCA member RTOs indicates that compliance staff constitutes a minimum of 1.5 – 2 days a week (0.3 - 0.4 full time employee equivalent – FTE) for small RTOs through to 5 - 6 people for RTOs with larger operations. It is common for compliance to represent 1 – 1.5 FTE. All RTOs consider compliance to be a necessary and important part of their operation, although many comment that there is a large amount of unnecessary process work required that could be minimised if more holistic forms of quality oversight were employed. Compliance is also costly, particularly for small organisations without staffing flexibility. When audits are likely or scheduled, the cost of servicing compliance requirements can be doubled for a period of several months.

Larger and more sophisticated providers that have greater levels of resources are more likely to embed compliance awareness or quality within the whole operations of the RTO. While all staff are made aware of and are engaged with quality provision and compliance, smaller organisations tend to employ a smaller number of people in specific compliance roles, often as subset of their primary role as VET Manager/CEO (for example), and they carry the compliance “burden” largely as result of the size of the organisation and the large proportion of part time trainers and staff employed.

Minimising the “Burden” of Compliance

Streamlining of Requirements

Comments across the sector suggest there are more holistic ways to ensure quality organisations:

- *The duplication of paperwork makes compliance for the sake of compliance rather than being of value.*
- *Scale is not considered - for instance, the pre class, mid class and post class validation is considered appropriate, yet very difficult to achieve for a small NFP RTO.*
- *The focus on validation as an indicator of quality is overemphasised.*

Reporting

It would be extremely valuable for RTOs to submit one lot of data that services multiple departments and programs. The constant re-work of reporting of the same information to different bodies at different times can be both onerous and can cause confusion: for instance, financials, fit and proper persons, NCVET data to both State and Commonwealth

bodies with different requirements. NSW has just moved to financial year reporting, so is not compatible with the NCVET system for validation without rework.

Smaller organisations struggle with the volume of compliance work, and question and increasingly see value in a centralised role that would assist to lessen burden of compliance for the community education sector. They suggest this in various ways, most simply put as a “compliance hub” for all things compliance across one or more sites/organisations. For example:

- shared/available compliance documentation
- shared/available and continuously reviewed policies
- updates, recent compliance issues, industry requirements, regulatory body directions, etc.
- reporting succinctly to whole sector
- shared funded compliance person working for whole sector
- shared external validation; shared industry consultation

Review Quality Indicator Survey

Is the data collected viewed critically by anyone? It appears to have been reduced to a tool of compliance.

Surveys could collect data which provides both qualitative and quantitative data illuminating the good stories and/or allow RTOs to readily identify emerging potential quality issues.

- *Find new ways of dealing with the annual learner questionnaire and employer survey system. The forms are of little interest to students. Most students have no connection with what they are being asked to do and return rate is often very, very low, especially for those doing FSK courses.*
- *Provide learner questionnaire template software and reporting.*
- *Centralised customer satisfaction and reporting tools (also developed centrally) and able to be used by all (for provider improvement not punishment).*
- *With the USI system now well in place, ASQA/NCVER could go direct to students to get a more representative view of the value of the training. Other, more efficient and useful methods for seeking employer data could be used.*

Other Comments

All respondents supported the new ASQA approach to compliance, and recognise the rationale behind compliance. Some providers also mentioned that they appreciate that the Australian Government is giving RTOs a chance to have their views heard through this review. A sample of the comments by survey respondents:

- *Evaluating practice and behaviour through the student experience contributes to the development of a compliance ethos and the taking of responsibility by the RTO for monitoring its own performance.*
- *We have found ASQA very good to deal with in general.*
- *ASQA has improved over the past five years, particularly in the guidance, new audit model, fact sheets, information workshops, responsiveness, clarity around new Standards, risk based approach to compliance. We feel more comfortable operating in a regulatory environment which protects and supports good operators.*

- *Have just filled in the ASQA performance Review. As with any organisation it does some stuff well and some badly. The approach to TAE, the legalistic response to the applications and the now three months wait since we responded to the “non-compliance” leave us in a kind of limbo and uncertainty that has been fairly negative in its impact on the College.*
- *Would like to see ASQA partnering more for improvement with the low risk and not-for-profit providers, while policing and punishing the rogues.*
- *We are pleased to hear from the ASQA commissioners that they are holding community colleges in high regard in how we operate within the VET system. Auditors need to be well aware of this reputation as different from the for profit private providers.*
- *Use/ develop an easier way to differentiate between short course enrolment and accredited course enrolments.*
- *Provide more online professional development in relation to compliance, changes, current issues (less F2F; better quality technologically available PD).*
- *More moderation of auditors’ judgements (ASQA already doing something about this).*
- *Reduced cost of regulatory body – audits, re-registration, annual fee: in other words, ASQA to be supported by government and less expectation of cost recovery by users. We note the proposed new fee structure and appreciate the benefit to low risk community RTOs.*
- *Stop continuously moving the goalposts. It is difficult to work in a system where the approach and systems change.*
- *Marketing VET courses – the insistence on the use of jargon and terminology makes it hard to market foundation skills courses at a language level relevant to the target client. Due to the language level, often outside their level of understanding – appropriate to higher level qualifications but not the foundation skills where there are LLN issues. This is the same for the national evaluation format - far too complex for lower level students.*