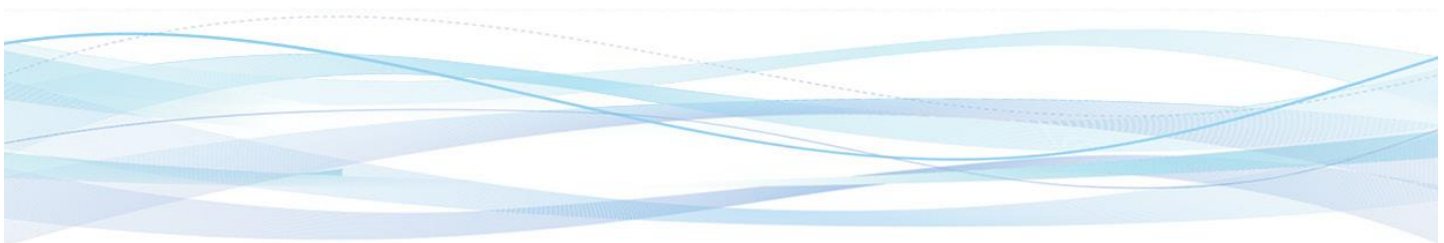


Vocational Education and Training Reform Submission

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NECA response to VET reform draft RTO standards

As a lead player in the electrical training and education sector, the National Electrical and Communications Association (NECA) welcomes the opportunity to provide input into the Vocational Education and Training Reform's draft revised RTO standards in-conjunction with the Government's proposed reforms of the VET sector.

The National Electrical and Communications Association is the peak industry body for Australia's electrical and communications contracting industry that employs more than 145,000 workers with an annual turnover in excess of \$23 Billion. NECA's membership consists of more than 4,000 businesses across Australia that sits within our state based chapters. In addition to employing executive and administrative staff across our state chapter and national offices, NECA plays a significant role in the training sector, maintaining responsibility for the employment, training and skilling of more than 4,000 current and future electricians and contractors through our Group Training and Registered Training Organisations across Australia.

NECA is also heavily involved with consumer advocacy and awareness initiatives such as the Does it Comply? (to Australian standards) program, EcoSmartElectricians – a national training and accreditation program for qualified electricians and has recently become a knowledge partner in the LJ Hooker Liveability project which aims to promote energy efficiency and sustainability. We are additionally a key industry partner with the E-Oz Energy Skills Australia Pilot program that is delivered through a range of RTO's and TAFE's across Australia.

NECA believes that quality education, skills and training initiatives are critical for the future development of the electrical trade and that reform of standards for training providers within the sector is necessary and long overdue. Our experience and member feedback suggests that in many instances, the current standards have not always led to the delivery of quality, job ready graduates with the necessary skills required by industry. For the VET sector to become more robust, effective and deliver future employees with skills that meet the needs of the electrical industry, we agree that reforms are necessary to bring about a more flexible and cost effective approach for training providers whilst delivering a clearer and less ambiguous set of standards and requirements to meet.

Our submission is generally supportive of the revised draft standards as proposed and presented by the Department of Industry, however additionally seeks to provide further background and support for a consolidation of Registered Training Organisations within the VET sector and NECA's experience as a lead player within the electrical training sector.

Background

The Minister for Industry, The Hon Ian McFarlane MP released a revised set of Registered Training Organisation standards in June 2014. This was an output from the inaugural meeting of the Council of Australian Governments (COAG) Industry and Skills Council, held in Brisbane on 3 April 2014 where Commonwealth, State and Territory Skills Ministers agreed to re-examine standards as proposed by the former National Skills Standards Council (NSSC), following feedback from the Vocational Education and Training (VET) reform consultation process carried out in early 2014.

The COAG Industry and Skills Council meeting agreed to examine the following three priorities:

- examine the standards for providers and regulators to ensure they better recognise the different level of risk posed by different providers, enable the regulators to deal more effectively with poor quality in the sector to improve confidence, and meet the Australian Government's deregulation objectives;
- reduce the burden on the VET sector arising from the constant updates to training packages; and
- ensure that industry is involved in policy development and oversight of the performance of the VET sector and to streamline governance arrangements.

The submission date for comment on the revised draft standards is 23 July 2014 and it is intended that the revised standards would come into effect from the 1 January 2015.

Draft Revised RTO Standards – Key Policy Points

NECA's key positions are;

- the electrical industry requires high quality, skilled and job ready graduates;
- present VET structure is too costly and has become bogged down in red tape and is not delivering enough job ready graduates;
- training providers feel weighed down by red tape and regulation whilst students, parents and employers not always get full access to the correct information to make decisions;
- risk-based regulation is a preferred model;
- RTO standards are often ambiguous and unclear;
- increased industry engagement and support for the role of RTOs remains critical and should be a key-performance indicator;
- the quality of the training and assessment needs improvement;

- the role of ASQA needs to be clearer with boosted enforcement provisions and national coverage;
- Reforms to VET need to boost confidence and participation in the sector and must be employer led;
- RTO consolidation would assist the sector.

Red Tape Removal and Governance

The cutting of red tape for training providers is an essential ingredient of the VET reform process and moves to adopt a more risk-based approach to regulation should be adopted.

NECA's experience and feedback is that the ambiguity and a lack of clarity arising from the present standards make it difficult for providers to maintain compliance. This feedback includes inconsistent and a lack of transparent regulation and auditing across jurisdictions, a lack of information that enables a provider to remain compliant and training packages that are often too complex to implement and understand.

NECA strongly supports the introduction of one national regulator.

This confusion is further evidenced by the Australian Skills Quality Authority's (ASQA) own statistics that indicate 80% of audited RTOs have compliance issues but given 20 days to fix with enhanced advice, the figure drops to just 25%, and after further intervention, this figure falls significantly. If it is the case that a significant minority of RTOs are fundamentally non-compliant, then action should be taken. The lack of enforcement by ASQA and other VET regulators artificially reduces the level playing field. This implies that RTOs, such as NECA's, who heavily invest in compliance, training and governance face a significant competitive disadvantage. Given our RTOs exist to educate and strengthen our industry, this disadvantage must have a detrimental long term impact on both ours and other industries. Given this landscape, it is reasonable to question the level of investment and governance that quality providers undertake.

We believe that ASQA and other VET regulators (whilst they exist) need to have the necessary resources to enforce and penalise those providers who continue to remain non-compliant.

NECA is supportive of moves to strengthen the draft standards to ensure that VET regulators provide improved education and guidance materials to RTOs to ensure they are fully aware of their obligations to be compliant.

A further step to reduce red tape for training providers is the removal of the NSSC proposal for all RTOs to have a learner agreement in place with each student. Whilst we appreciate that it has been difficult for students and employers in some instances to obtain the necessary information to suit the needs of the business, NECA supports a less prescriptive approach that places a greater emphasis on the provision of improved, up front consumer information, particularly for employers. This information for consumers can be provided through enhanced standards, rather than a specific learner agreement.

The former NSSC also proposed to introduce the concept of a Licensed Training Organisation (LTO) concept to break from past practices in an attempt to offer a new, high quality training system. Whilst we support moves to increase the quality of training outcomes through improved standards and a more effective role for ASQA to ensure that training providers are compliant, a further change to an LTO concept would more than likely add additional burden and complexity to the current VET structure and be unlikely to deliver any real improvements to training outcomes in the short term.

Additionally, NECA also supports the removal of NSSC proposals within these revised draft standards that would have made it necessary for non-government and non-registered RTOs under the Australian Charities and Not for Profits Commission Act 2012 to become registered under the Corporations Act 2001. We believe the NSSC proposals would have added an additional layer of complexity for those training providers of unincorporated bodies without improving quality outcomes.

Minister MacFarlane's announcement from the 1 July 2014, of the removal for many RTOs to undergo a financial viability assessment as part of their re-registration is welcomed by NECA and the wider VET sector. This removal will ensure that the vast majority of existing RTOs will not need to demonstrate a financial viability assessment at the point of re-registration, unless where serious, ongoing financial concerns have been raised.

The Fit and Proper Persons Test continues within the revised draft standards and **NECA supports the continued emphasis upon the Executive Officer or high managerial agent to meet the requirements of this test**. Our experience is that the difficulty of finding a suitable replacement to fulfil the requirement for an Accountable Education Officer to have oversight and influence over the decision making of senior management for training, assessment and safety practices was a key concern for many within our industry and we support the retention of the current arrangements.

The role of ASQA

A principle concern of NECA is the present role of the Australian Skills Quality Authority (ASQA) and its lack of enforcement of compliance of those training providers who are failing the essential delivery of quality training outcomes.

This has created a “free rider” system that has allowed many RTO’s to avoid various levels of compliance whilst good corporate RTOs continue to commit extensive resources and expenditure to uphold the standards of compliance.

We believe that ASQA should have the necessary “teeth” in order to penalise those providers, where necessary, who continue to fail on compliance and standards. This will ensure stronger outcomes for additional resourcing and fewer RTOs for ASQA to monitor in the longer term.

Additional resources will also allow for the provision of enhanced information to training providers to ensure greater compliance.

Consistency in auditing of training providers across both ASQA and VET regulators also remains a concern for NECA. For example, one of our training organisations has been audited five times over the last 18 months and given the level of expenditure and quality control that NECA has invested in our facilities and training packages for many years, we are concerned that there is a lack of reward for providers such as NECA who comply with the standards, whilst a free rider system remains in place through a lack of enforcement and penalisation of providers who are not making an effort to comply with standards and who fail to deliver quality training outcomes.

NECA, therefore calls for the introduction of a single, national regulator to overcome the lack of consistency in the auditing of training providers.

We argue that a single regulator is in a stronger position to uphold the revised standards and to ensure that those providers who consistently fail the standards are removed.

Quality Training, Assessment and minimum standards for Trainers and Assessors

NECA has concerns that relate to the general quality of training and assessment within the VET sector. A reoccurring theme that NECA members observe relates to the quality and competence of the trainer. The delivery of high quality training and assessment is reliant upon the skills and knowledge of the trainers and assessors. NECA is concerned with the broad perception that there are trainers who lack the necessary skills and current industry knowledge and may see assessment as a lesser priority to their training function as opposed to a seeking to obtain a higher level of competence, quality and/or safety.

Quality training outcomes not only lead to a larger pool of skilled resources, but also increase industry participation, flexibility and productivity.

We believe that those who deliver the education and training, as a minimum requirement, must hold that same level of qualification and must contain and be able to demonstrate a range of current industry skills that is directly relevant to the training and assessment that they provide. It should be the RTOs responsibility to ensure that these skills and standards are met and upheld. Ongoing professional development should also be the responsibility of the RTO to ensure that trainers continue to update their knowledge and practice of vocational training, learning and assessment including competency based training and assessment.

The proposed revised draft standards allow for a phased timeframe up until the 1 January 2016 for trainers and assessors to meet these requirements and skill sets. In the interim, we recommend that appropriate transition arrangements be implemented to support RTOs..

Only those who meet the standards should be in a position to determine assessment outcomes to ensure high quality outcomes within the sector. Currently, the minimum qualification, Certificate IV in Training and Assessment should be used as a discipline upon each trainer and assessor.

Leadership Accountability / One size does not fit all!

Whilst NECA supports a strengthened process through the VET reform program, we do not believe in a single model or one size, fits all approach.

As a provider of training and skills centres through Group Training Organisations and Registered Training Organisations, we note the value of both models that complement our activities in the vocational educational sector.

However, we assert that the RTO model is the more flexible and industry driven model that can meet the needs of our industry and deliver a larger and better skilled pool of future resources.

With more definitive and clearer standards, NECA believes that the industry can prosper on the back of improved skills and training development delivered by our RTOs, backed by the industry with the relevant and necessary course content.

The need for greater course flexibility to reflect technological advancement within the industry is best highlighted by the ability of our own RTOs to deliver new and enhanced content within a relatively short time frame when compared with the more traditional service delivery models. A prime example of flexibility and adaptability is that one of NECA's own RTOs was able to develop a new Certificate IV course in instrumentation within a three month timeframe.

NECA commentary on each of the proposed draft standards

Standard 1. The RTOs training and assessment strategies and practices are responsive to industry and learner needs and meet the requirements of Training Packages and VET Accredited Courses

Context:

Learners, employers and industry must have confidence in the integrity, currency and value of certification documents - issued by RTOs, through high quality training and thorough and rigorous assessment practices that:

- *meet the requirements of training packages and VET accredited courses;*
- *is responsive to industry and learner needs; and*
- *is delivered by appropriately qualified trainers and assessors with the right support services, facilities and equipment.*

NECA shares concerns that in many instances, education and training is either not aligned with or too slow to respond to the changing needs, skill requirements and technological advancements within the electrical contracting industry.

Training and learning needs to be relevant and tailored to future industry requirements and training organisations need to reflect these realities. Greater industry engagement and ownership is a **key ingredient** and the benefits of a fully-fledged industry-based RTO are obvious – industry ownership that allows the industry to have direct involvement, driven by the member requirements and paid for through members' funds.

We believe that the RTO must have a set of strategies in place to engage with industry that ensures ongoing relevance of the training programs to meet the needs and requirements of the industry and employers and be able to demonstrate how this engagement has informed and influenced the content of their training programs.

Standard 2. The operations of the RTO are quality assured.

Context:

The RTO is ultimately responsible for ensuring quality training and assessment within their organisation and scope of registration, regardless of any subcontracting arrangements.

The RTO is responsible for developing, implementing, monitoring and evaluating quality training and assessment strategies and practice that meet training package and VET accredited course requirements.

Evaluating information about performance and using such information to inform quality assurance of services and improve training and assessment is sound business and educational practice.

NECA asserts that improved standards will provide greater clarity and responsibility for RTOs to better focus on their operations and delivery of improved course content, leading to better outcomes for our industry in the long term.

This standard will ensure that an RTO is required to systematically monitor its training and assessment strategies and undertake evaluation and assessment strategies to maintain quality and course relevance. NECA supports these initiatives.

Standard 3. The RTO issues, maintains and accepts AQF certification documentation in accordance with these Standards and provides access to learner records.

Context:

To maintain the integrity and national recognition of AQF qualifications, skill sets or VET courses, AQF certification must be consistent in presentation and RTOs must accept the certification issued by other RTOs. This is the purpose of nationally agreed requirements about the nature of certification content and presentation and maintenance. Learner needs should be met through timely issuance of AQF certification documentation and access to their records.

RTOs are not obliged to issue any certification that would be entirely compromised of units or modules completed at another RTO or RTOs.

We support initiatives to ensure that AQF certification documents are only issued to learners who have been fully assessed and whom meet the requirements of the qualification, skill set or relevant VET course. This information should be disseminated in a timely manner and issued once the learner has all fees paid in full.

Standard 4. Accurate and accessible information about an RTO, its training and assessment and related services and performance is available to inform current and prospective learners and clients.

Context:

Transparent and accurate information about RTO services and performance enables clients and potential client of RTOs to make informed decisions regarding their training and/or assessment needs.

Future students and employers require greater access to information in order to make more informed decisions regarding their training and assessment requirements

NECA supports revised standards that require an RTO to provide specific information that accurately represents the service it provides, such as the AQF qualification, skill sets and VET courses on the scope of its registration in order to achieve compliance.

Additionally, this standard also ensures that advice is provided where an RTO is delivering training and assessment through its own resources, on behalf of another RTO or by another party via a subcontracting arrangement.

Standard 5. Each learner is properly informed and protected.

Context:

In order to ensure that learners are informed of the services they are to receive, their rights and obligations, and the RTO responsibilities under these Standards, the RTO must provide learners with information prior to commencement of services including any subcontracting arrangements affecting the delivery of training and/or assessment.

The RTO is to provide or make readily available information to the learner that outlines the services the RTO will provide the learner, along with the rights and obligations of the learner and the RTO.

The RTO may provide information to the learner through one or more documents, for example an enrolment form, policy, employment contract or agreement, induction handbook or documented practice, training plan or training contract.

NECA agrees that students should be accurately informed of the future services they are to receive and that it is the role of the RTO to ensure that accurate information about course content, skills sets and the services it provided need to be presented up front, prior to course enrolment.

We believe that a standard set of definitions would be useful for students to better compare one RTO with another.

The strengthening of this standard is supported.

Standard 6. Complaints and appeals are recorded, acknowledged and dealt with fairly, efficiently and effectively.

Context:

RTOs must implement a transparent complaints and appeals policy that enables learners and clients to be informed of and to understand their rights and the RTO's responsibilities under the Standards.

For an RTO who is an employer or a volunteer association whose learners solely consist of its employees or members and who does not charge fees for the training or assessment, and has in place a complaints policy which is sufficiently broad to cover the activities as an RTO, there is no requirement for a separate complaints and appeals policy.

NECA supports this initiative which requires the RTO to have an appropriate complaint mechanism in place to deal with complaints and respond to criticisms or allegations where necessary.

Standard 7. The RTO has effective governance and administration arrangements in place.

Context:

Business viability is critical to the ongoing sustainability of an RTO and the investment it makes in its services. If RTOs are not viable, then this negatively impacts on the quality of its training and assessment outcomes and on learners.

Operational and financial business standards therefore provide important protective measures for the learner and RTOs, as well as acting as a disincentive for underprepared organisations to enter the market.

This standard is strongly supported by NECA. It will ensure that greater accountability for the governance and effective administration of the RTO can be more focussed and driven from the top down by the Executive Officer or High Managerial Agent. NECA believes that the authority should rest with the leader of the RTO with regards to financial viability and the satisfaction of the Fit and Proper Person Requirements.

Poorly governed and administered RTOs deliver low quality training outcomes that damage the industry's reputation. Their survival is not in the long term interests of either the industry that they seek to educate or for the broader VET/RTO sector.

Standard 8. The RTO cooperates with the VET Regulator and is legally compliant at all times.

Context:

RTOs need to comply with the requirements of the RTO Standards as well as other relevant Commonwealth, State and Territory legislation. This is critical if RTOs are to deliver AQF qualifications, skill sets or VET courses that have integrity and which fulfil their obligations to their clients. It is important that subcontracting arrangements are documented and transparent to facilitate the Regulator's knowledge that such arrangements exist. This will enable them to factor this into the risk profile they apply when enforcing compliance with the Standards and to review, in the context of RTO audits, the terms of the subcontracting arrangements and the effectiveness of the arrangements in facilitating compliance with these Standards.

The RTOs compliance needs to be met through co-operation with the VET Regulator and meeting all legal requirements. Whilst we have had concerns that the stronger and fitter RTO's are seemingly audited by regulators more often than those that are more vulnerable, NECA is confident that the tightening of standards will deliver clearer guidelines that will more readily highlight those RTOs that are in greater need of auditing and assistance.

Summary

NECA strongly believes in the future of the VET sector, but believes that change is necessary and vital to ensure its ongoing sustainability.

Having extensive experience in the training and education of electrical apprentices and management of ongoing industry skills development and accreditation programs, we believe we are in a strong position to continue our leading role in the sector.

In addition to the recommendations made within, NECA draws the readers' attention to the following five key recommendations that are critical for the sector in the long term:

We believe that ASQA and other VET regulators (whilst they exist) need to have the necessary resources to enforce and penalise those providers who continue to remain non-compliant.

Regulators need to have the necessary resources to enforce the revised standards and ensure that action is taken against those providers who continue to remain non-compliant. The free-rider system is a disincentive for operators who meet the standards and remain compliant.

NECA supports the continued emphasis upon the Executive Officer or high managerial agent to meet the requirements of the Fit and Proper Persons test.

The governance of RTOs will be enhanced by the retaining of this requirement for the Executive Officer to meet the requirements of this test, allowing the organisation to better focus upon training and assessment strategies from the top down.

NECA, therefore calls for the introduction of a single, national regulator to overcome the lack of consistency in the auditing of training providers.

A single, national regulator is in a stronger position to more consistently measure and audit training providers to ensure compliance with the standards and penalise those RTOs who consistently fail the standards and deliver low quality training outcomes.

We believe that those who deliver the education and training, as a minimum requirement, must hold that same level of qualification and must contain and be able to demonstrate a range of current industry skills that is directly relevant to the training and assessment that they provide.

Trainers need to hold a Certificate IV qualification as a minimum requirement and be able to demonstrate a range of current industry skills and knowledge that's applicable and relevant to training and assessment today.

We assert that the RTO model is the more flexible and industry driven model that can meet the needs of our industry and deliver a larger and better skilled pool of future resources.

The RTO model is the preferred and most flexible model that caters for increased industry participation and direction. The revised draft standards will strengthen the role of the RTO in the future.

NECA believes that a focus upon these key recommendations through the proposed, revised draft standards will strengthen the VET sector's reputation and enhance quality skill outcomes.

Given the large numbers of non-compliant training providers within the VET sector, we argue that a consolidation of training providers within the VET sector is necessary to ensure a better quality training system. This in turn will lead to a greater skilled workforce and a more productive national economy.

Thank you again for allowing our organisation to submit its views on the revised draft standards and we look forward to working with the Government to strengthen the sector and be a part of its ongoing sustainability.

Yours faithfully



Suresh Manickam
Chief Executive Officer