Submission From The
Australian Council for Private Education and Training

ACPET is the peak business organisation representing independent providers in the higher education and vocational Education and Training (VET) systems.

www.acpet.edu.au
Introduction —

The Australian Council for Private Education and Training (ACPET) is the peak business organisation representing independent providers in the higher education and tertiary education systems. ACPET tenders this submission to the Australian Government undertaking the Review into the Australian Vocational Education and Training System.

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National Office: PO Box 551, East Melbourne, VIC, 8002
Government Affairs: GPO Box 450, Canberra, ACT, 2601

t: 1800 657 644 e: policy@acpet.edu.au
www.acpet.edu.au
Section 1: Executive Summary —

The Australian Council for Private Education and Training (ACPET) is the peak business organisation representing independent providers in the higher education and vocational education and training (VET) sectors.

ACPET members make a significant contribution to education and the economy and are representative of the independent sector that delivers training to over 3,000,000 million students a year, with a workforce of some 100,000 people.

Independent providers deliver around 60% of all VET student enrolments nationally, about 90% of international student VET enrolments and are growing higher education enrolments at over 10% per year, with student satisfaction rates equal to those of public sector TAFE colleges and universities.

In preparing this submission the ACPET has consulted widely with its members.

Key Observation —

All Australians should have the opportunity to gain the skills and knowledge they require to participate in the labour market. Government has a key role to play in ensuring that all individuals have access to training opportunities and to select a provider who can deliver the training that meets their needs.

The 2016 census showed that for the first time in Australia’s history more than half (56 per cent) of all people aged 15 years and over held a non-school qualification. Australians work to gain these qualifications for good reason, as our changing labour market requires higher level skills to gain and maintain employment in the modern workplace.

Students access tertiary education in multiple ways through independent vocational education providers, TAFE, public universities, private universities, non-university higher education providers, schools, community groups and industry.

VET is a necessary public good to develop the skills required to be successful in the current workforce and for a modern economy.

Independent providers of VET play a significant role in the sector delivering training to 4.2 million students, 60 per cent of all VET students.

ACPET tenders our thanks for the opportunity to make this submission and we look forward to further engagement on this matter.

Troy Williams
ACPET Chief Executive

Robert Wilson
ACPET Policy & Research Manager

25 January 2019, Canberra
Section 2: Recommendations

This section lists the recommendations made throughout ACPET’s submission to the Review into the Australian Vocational Education and Training System.

1. The Commonwealth Government, working with the Council of Australian Governments (COAG), undertake a full review of Australia’s post schooling education system with the aim to build one national tertiary education system.

2. The Commonwealth Government, working with COAG, take full policy, governance and administration leadership for VET within one national tertiary education system.

3. The Commonwealth Government, working with COAG, review current tertiary education regulatory arrangements with the aim to establish one national regulator for all tertiary education.

4. COAG adopts a fully contestable demand driven funding model for vocational education and training that supports student choice in selecting their training provider.

5. Australian Governments, through COAG, commit to 10-year nationally consistent policy, program and funding settings to provide certainty to the VET system.

6. Governments commit to competency-based training as the foundation of the National VET system.

7. Government partners with ACPET to implement a trial of the Industry Certification Program to deliver stronger outcomes for students and employers and to help restore confidence in VET.

8. Government improves existing arrangements for careers, training, apprenticeship and traineeship information and advice to support students into VET.

9. Government develops a policy framework for qualifications and funding that recognises student and employer needs for a variety of approaches to learning and supports greater development and implementation of skills sets and micro-credentials.

10. The Australian Government reviews the current arrangements for training package development with the aim to ensure greater engagement of training providers in national qualifications, skill sets and micro-credentials development.

11. Government reviews VET Student Loans with the aim to remove the 25 per cent loan fee for independent providers and raise caps on qualifications where evidence demonstrates that existing caps are too low to deliver suitable courses to meet student and industry needs.
12. The Commonwealth Government, through the Council of Australian Governments, review the regulations affecting the VET system to identify opportunities to reduce regulatory overreach and aim to reduce the increasing burden of red tape on independent providers.

13. ASQA develop and implement processes and capabilities to proactively engage with training providers and other stakeholders with the aim to utilise audits as a business improvement opportunity and improve student outcomes.
Section 3: The Independent Vocational Education and Training Sector

Independent providers play the most significant role in the delivery of VET in Australia, with some 4.2 million students choosing to study with an independent VET provider in 2017 (NCVER, Total VET Students and Courses 2017). This represents approximately 60 per cent of all VET students nationally. The remaining students study at TAFEs (approximately 16 per cent of total VET activity), community education providers (approximately 9 per cent) and with schools, enterprise providers and universities making up the remainder of VET delivery.

In delivering to 60 per cent of all VET students, some 3,156 independent training providers deliver training across the country to meet the needs of students and employers (NCVER, Total VET Students and Courses 2017).

Independent providers work closely with employers to offer the training they need for their current and future workforce. They are nimble, have their ‘ear to the ground’ and their survival depends on their relationships with employers and getting job outcomes for their students.

In a contestable market, it is the RTOs that deliver to the needs of students and employers that will be, and are, successful.

Many independent providers also work closely with schools in promoting and implementing school-based apprenticeships and traineeships (SBATs) in years 10, 11 and 12. Many students undertaking SBATs are not seeking to follow a pathway into university, and independent providers play a significant role in preparing these students for the workforce. ACPET members organise their students’ training and work placements and work with employers and ensure students receive their pay. Independent providers play an important role in helping young people stay at school and enter employment and become productive members in society.

The independent education sector makes a significant contribution to Australia’s economy and productivity. Total education industry revenue was $122 billion in 2017-18, and its estimated value add to GDP is $74 billion (IBIS World). The VET sector accounts for 9.5 per cent of the total education industry, or approximately $11.6 billion of economic activity.

However, the VET sector has become the poor cousin to both school and higher education. While these two sectors have seen significant growth in investment from governments, VET sector funding continues to decline. As evidenced in Figure 1, the sector has seen real declines in investment from government since 2011/12.
Fee-for-service has been an expanding area within total VET activity due to the decline in government investment in VET.

In 2017, 10.1 million (some 34%) of subject enrolments were domestic fee-for-service students enrolled with an independent provider.

Figure 2 Subject enrolments by provider type and funding

Source: NCVER, Total VET Students and Courses 2017, July 2018
The education of international students is Australia’s third largest export. The independent sector plays a significant role in Australia’s international export market with 126,000 international students studying onshore, offshore or a mixture of both. Importantly, 70 per cent of the total number of Australia’s international students chose to study at an Independent provider (NCVER International students, 2017).

The independent VET sector is a key player in delivering the skills and training that will help Australia grow its productivity and exports and must be supported appropriately by policy makers at all levels.
Section 4: One National Tertiary Education System

Summary —

The vocational education and training system has become the poor cousin to the university sector over the past 20 years. Real decreases in funding, confusing governance arrangements, substantial differences in jurisdicational policies and approaches to funding have undermined the national training system. Essentially, Australia has eight VET systems with a lack of national leadership.

There is no longer a vision at the Commonwealth level shared by the states and territories. There is confusion around the governance of VET, with numerous funding programs at both Commonwealth and state and territory levels all with different compliance and contract management overheads and red tape.

Key Issues —

Constitutionally, the responsibility for VET lies with state and territory governments, but in reality, VET has become a shared responsibility with the Commonwealth administering VET Student Loans (VSL), national training package development and national RTO standards with state and territory governments administrating funding, programs and TAFEs.

The sector has a national VET regulator in the Australian Skills Quality Authority (ASQA), but two jurisdictions did not refer powers to the Commonwealth, whereas all higher education providers are regulated by the Tertiary Education Quality and Standards Agency (TEQSA).

Training providers operating across multiple jurisdictions face enormous complexity in the design, administration, quality assurance and delivery of qualifications that are intended to hold national portability and recognition. These complexities add cost and risk that diminishes the inherent value of a national system.

VET and higher education providers have essentially been operating in silos, with the former administered by states and territories and the latter by the Commonwealth. This has led to a situation where funding levels for higher education are greater than VET, and a demand driven system is available to higher education students but not available to all VET students.

There is a need to change the nomenclature around VET and it is time for new conversations to reflect one post schooling system.

Australians would benefit from the introduction of one national tertiary education system where VET and higher education providers are treated equally but are still able to keep their respective identities. Higher education providers must continue to
focus on academic learning and research while VET providers must continue its focus on skills acquisition and employer needs.

For independent providers who deliver across jurisdictional borders, duplication of regulatory requirements in terms of contract management have significantly added to the red tape burden on businesses. State governments are taking a contract management approach whereby they are replicating national regulatory requirements. While independent providers support good contract management principles, the onerous red tape burden of meeting numerous funding contracts detracts from a focus on quality training outcomes.

**Recommendation/s —**

1. The Commonwealth Government, working with the Council of Australian Governments (COAG), undertake a full review of Australia’s post schooling education system with the aim to build one national tertiary education system.

2. The Commonwealth Government, working with COAG, take full policy, governance and administration leadership for VET within one national tertiary education system.

3. The Commonwealth Government, working with COAG, review current tertiary education regulatory arrangements with the aim to establish one national regulator for all tertiary education.
Section 5: A Fully Contestable National Vocational Education and Training Funding Model

Summary —

The independent sector emerged because of inadequate public supply for training places and higher demand for skills in the early 1990s. Following a series of public policy reforms, the independent sector started to deliver publicly funded training through state and territory government’s contestable funding sources such as User Choice. Over time these funding methods have increasingly allowed individuals and businesses to access government funding using a provider of their choice.

Key Issues —

In 2017, just 27.7 per cent of the $2.1 billion of government funding invested into VET was awarded to non-TAFEs, which represents a reduction of 7.1 per cent on 2015-16 figures (Productivity Commission).

In a training system where 60 per cent of students choose to study with an independent provider, there is clearly a mismatch in funding support to students.

Indeed, over half of VET student enrolments do not receive any public funding, which demonstrates that individuals see value in the system that supports life-long skill attainment closely aligned to vocational opportunities.

A reduction in funding to independent providers is expected to continue with state governments announcing free TAFE training places for apprenticeships from 2019 in priority courses. These announcements come at the expense of many students who seek to enrol with an independent provider for their training needs.

It is important that the benefits of an open training market that have been developed over decades are not lost. The priority for government should remain enabling students to utilise public funds with high quality providers, regardless of ownership but with suitable quality controls, by harnessing market forces to achieve the best possible outcomes in the most effective and efficient way.

ACPET supports an entitlement and demand-driven funding model for VET with full contestability for all training providers.

A well-designed entitlement model is one that does not promote one provider sector over another nor does it enable government policy to support one system over another. Entitlement models increase participation of students, businesses, providers and governments in the national training system.
ACPET supports policy arrangements that lead to the best training outcomes for students and employers.

The tertiary education system is in a policy situation whereby higher education providers are funded by the Commonwealth through a demand driven system and VET providers are funded through state and territory government supply models which has led to an uneven playing field within the tertiary education.

The current arrangements for government funding in VET have developed over many years, and not always on a rational basis. Similarly, the arrangements adopted by states and territories reflect historical considerations and often crude approaches to manage or rein-in VET expenditures.

Funding of the VET system should take into account variables such as regional and remote delivery, thin markets for some VET qualifications and the variety of delivery methods necessary to achieve the desired outcomes. There also needs to be greater consistency between jurisdictions for similar qualification subsidies.

ACPET believes that a fully contestable VET funding model, with good contract management, consumer information and regulation, will deliver better outcomes for students and employers and will assist with productivity improvements for the national economy.

ACPET also supports for greater public funding to those providers who have a demonstrated history of delivering outcomes for students and employers.

Finally, the VET market needs consistency and certainty in policy, program and funding settings. Governments should commit to a 10-year VET funding policy that would provide much needed certainty to the sector.

Recommendation/s —

4. COAG adopts a fully contestable demand driven funding model for vocational education and training that supports student choice in selecting their training provider.

5. Australian Governments, through COAG, commit to 10-year nationally consistent policy, program and funding settings to provide certainty to the VET system.
Section 6: Quality Teaching and Learning

Summary —

This Expert Review of Australia’s Vocational Education and Training System provides an opportunity to look at all issues associated with VET, in particular, it enables the re-examination of the system’s core principles, professional standards, information needs and qualification development.

Key Issues —

VET core principles

ACPET believes that competency-based training (CBT) must remain at the heart of the vocational education and training (VET) system in Australia.

The NCVER’s glossary of VET terms defines CBT as ‘training which develops the skills, knowledge and attitudes required to achieve competency standards’.

ACPET believes that VET must focus on:
• High quality competency-based training
• More flexible and modular training arrangements
• National consistency in training standards and certification
• Better articulation of on-the-job and off-the-job training and credit transfers
• An open training market
• Student choice in the provider
• Equitable access to vocational education and training
• Regulation focussed on developing sector capability, quality assurance and continuous improvement.

Professional standards and ethics – Industry Certification Program

Due to the occupational standards nature of training packages rather than curriculum, it has been discussed over many years that more professional development support and higher standards of professional requirements, including initial professional preparation and standards above the Certificate IV in Assessment and Workplace Training, are required for VET practitioners.

This is reinforced by a high level of casualisation in the VET workforce and a quality assurance system that is more compliance oriented than supportive of innovative practice or capability development.

Successful VET practitioners are highly skilled professionals who:
• Have a sophisticated pedagogical and andragogical repertoire
• Use more learner-centred and work-centred approaches, rather than traditional pedagogies
• Can work with a variety of clients and partners, in multiple contexts and across a range of learning sites
• Understand that the integration of learning and work is a major feature of the contemporary work environment.

To support VET practitioners and to build confidence in the sector, ACPET has established the ACPET Industry Certification Program.

The ACPET Industry Certification Program (AICP) is a 360° peer review process that has been established to provide training providers with the opportunity to be recognised for their student centric educational quality; ethical practices and behaviours; continuous improvement culture and professional student services that go far beyond the minimum regulatory standards and associated measures.

APCET prides itself on delivering a service that is:

Independent - Industry Certification is a 360° peer review process that utilises independent sources to remove all conflicts of interest. Independence ensures the rigor of the process is well governed and natural justice principles apply equally to all candidate businesses.

Objective - Industry Certification is assessed and granted by an Independent Review Panel. The panel is made up of individuals who are nationally held in high regard and recognised for their exemplary achievements for the sector.

Industry Certified Members go through an independent peer review process, providing supporting information to back up their claims that they are fit for purpose as an educational organisation, which is validated by students, graduates, employers, staff and business partners.

Industry Certified Members are endorsed by their industry peers as being:
• Highly ethical in educational governance practices and behaviours
• Quality educational providers and leaders in their technical field
• An employer of choice by professional teachers and assessors
• Preferred by employers as a workforce development partner to meet their ongoing skilling requirements
• The choice by students for quality education and industry linkages.

Improved VET information to the community

Several trends are driving the creation of new jobs including an ageing population, changing consumer preferences for experiences and services rather than goods, digital technologies and government investments into infrastructure projects. The complexity of future change requires industry, government and education providers to work together as partners to solve the demand for new skills and reskilling over the next 10 years and beyond.
For many occupations, a VET qualification will be necessary to work in a licensed occupation such as an electrician or builder, or in a regulatory environment such as in childcare and nursing.

There are opportunities for the promotion of VET as the preferred pathway from schools into the labour market and opportunities for further career information advice to students, parents and teachers outlining the benefits of apprenticeships and traineeships.

Students and parents require up-to-date information on opportunities related to careers, jobs and skill shortages, how the VET sector can support them to realise those opportunities, including how to access and succeed in an apprenticeship, traineeship or other VET experience pathways.

**New Thinking required in qualification development**

Training packages provide national competency-based qualifications. Qualifications in training packages can be at certificate I, II, III, or IV, diploma, advanced diploma, vocational graduate certificate, or vocational graduate diploma level.

Training packages are made up of nationally endorsed components comprising:

- Units of competency: which specify the knowledge and skill, and the application of that knowledge and skill to the standard of performance required in the workplace.
- Qualifications: which are created by packaging units of competency into meaningful groups to form qualifications in accordance with the Australian Qualifications Framework.
- Assessment guidelines: which provide an industry-led framework for assessing competency in the specified industry, industry sector, or enterprise.

Training packages are not curricula. The learning and assessment strategies (the ‘how’ of training) are developed by providers and their trainers based on learner needs, abilities and circumstances. These also take time to develop, implement and refine (and are not without resource and financial cost at provider level).

The impact of technology on all jobs is occurring faster than the qualification framework can respond. There is a demand from employers and students for shorter courses and industry recognised programs that quickly fit new jobs.

Micro-credentials are already becoming a feature of the sector to increase employability and to build the skills and behaviours required by the labour market. This is occurring now, with students undertaking only the units of competency they require to gain the skills or licencing requirements to be able to work in their chosen industry, rather than entire qualifications.
New programs must introduce students to specialised knowledge and skills and in addition support development in soft skills such as problem solving, critical thinking and communication to be successful in the workplace.

While qualification completion remains an important principle, in reality students are already coming and going from the sector as they need, without a focus on completing a qualification. While governments and educators see completion as the system’s benchmark, non-completers are reporting satisfaction at record levels in terms of the purpose for which they enrolled.

ACPET believes that there is an opportunity to review the current arrangements to how qualifications are developed. Changes to national qualifications are occurring too quickly for RTOs and the red tape that comes along with these changes stifles innovation due to increased time spent on compliance. There are instances where units of competency being developed are across multiple Australian Qualifications Framework (AQF) levels making them very difficult to assess. ACPET is concerned that performance criteria must be achievable and manageable. Also of concern is members are reporting that current multiple units are being combined into some very large unit of competency that will be difficult to deliver.

Compounding problems is that Industry Reference Committees (IRCs) have little to no representation from training providers and in some cases vested interests are driving agendas that do not necessarily produce quality qualification outcomes.

Recommendation/s —

6. Governments commit to competency-based training as the foundation of the National VET system.

7. Government partners with ACPET to implement a trial of the Industry Certification Program to deliver stronger outcomes for students and employers and to help restore confidence in VET.

8. Government improves existing arrangements for careers, training, apprenticeship and traineeship information and advice to support students into VET.

9. Government develops a policy framework for qualifications and funding that recognises student and employer needs for a variety of approaches to learning and supports greater development and implementation of skills sets and micro-credentials.

10. The Australian Government reviews the current arrangements for training package development with the aim to ensure greater engagement of training providers in national qualifications, skill sets and micro-credentials development.
Section 7: Vocational Education and Training Governance

Summary —

Overall satisfaction with the VET system is robust. Eighty-seven per cent of graduates and 90 per cent of completers of qualifications are satisfied with the overall quality of training. Further, 91% of graduates would recommend the training they received to others, and 90% would recommend their training provider.

In addition, 75% of employers with jobs that require VET training reported they were satisfied with the skills they are receiving from their employees.

The difference in satisfaction from students across public and independent providers is very little, with the independent sector’s satisfactions rates slightly ahead of public providers.

However, without fundamental reform and a commitment from Australian Governments at all levels, the VET sector will continue to decline due to increasingly disjointed governance and policy decisions, bureaucratic processes and red tape, and funding decisions that are seemingly driven by budget imperatives rather than the best outcomes for students and employers.

Key Issues —

VET Student Loans

VET Student Loans (VSL), which replaced VET FEE-HELP, is the Commonwealth Government’s loans program to support students who are seeking to study in a higher-level qualification.

ACPET strongly supported the need for many of the regulatory measures proposed in the enabling legislation for VET Student Loans, but at the same time, highlighted concerns with a number of measures that it considered would not contribute to quality training outcomes and student choice. Severe limitations on courses, the employment arrangements for staff and contractors and financial benchmarks inappropriate to contemporary business models were several of the unnecessary restrictions raised by ACPET.

Unfortunately, rather than mature program management and purchasing approaches that seek to identify and contract high quality providers with a successful track record, the government adopted a regulatory approach of eliminating any and all risks, with little flexibility to cater for the diversity of successful business models of many providers, nor the needs of their students and employers.
ACPET agrees that it is important within any demand driven model that appropriate risks are managed. There were significant public policy and contract management failings within the VET FEE HELP program. However, not all demand driven programs are destined to be a failure. Proper contract management, regulation, good market information for consumers, appropriate caps on prices and using reputable providers can lead to successful demand driven outcomes for students, employers and improvements in productivity.

One of the significant issues in VET Student Loans is the 25 per cent loan fee charged to students as a premium to study a VET qualification with an independent training provider. This loan fee does not apply to students taking the identical qualification in publicly funded institutions. This results in students studying at independent VET providers having to borrow 125 per cent of their course costs if they access the government funded loans scheme. Should the identical student study at a university, then there is no such loan fee under HELP. This creates a disadvantage for both the student and the national VET system.

A further problem with Vet Student Loans is the loan cap for courses. The caps allocated to many of the key qualifications are inadequate to deliver a quality course to students. This is forcing good providers out of delivering courses in some qualification areas and may be creating a ‘race to the bottom’ as providers with long established reputations and track records are forced to reduce the quality of their courses in order to maintain viability.

**Reducing Regulation**

Independent tertiary education providers play an important role in ensuring the diverse needs of students, industry and the Australian economy are met. They enjoy high levels of student satisfaction on par with publicly funded institutions. Recent failures in the sector have largely been due to flawed government-funded program design and implementation and the failure to administer existing regulations, together with a lack of ethics in a small number of providers.

Federal and state and territory governments have ‘doubled down’ on regulation in response to their program administration failures and these have had a significant impact on the sector, its students and employers who rely on the sector for their training needs.

ACPET members report that the VET sector is experiencing the most challenging regulatory environment over the last 25 years. The raft of recent federal and state and territory government regulatory measures (and funding restrictions, particularly to the independent sector) are significantly adding to the burden on quality independent providers, their students and industry.
ACPET members report concerns with the slow pace of bureaucracy associated with a training provider trying to gain approval to meet an industry skill need. Providers report it can take:

- 3-6 months of planning and preparation for an application to the Australian Skills Quality Authority (ASQA) for a new area of delivery
- 6-9 months before a submission is reviewed by ASQA and an audit is arranged (where deemed required)
- 2-3 months for an audit report to be provided and the new qualification added to scope
- Then depending on the jurisdiction, 2-4 months to have the qualification added to the funded scope to be able to deliver under state funding arrangements.

Regulatory arrangements need to be overhauled to ensure proper engagement with regulated entities with a focus on delivering improved results for students and employers. There needs to be a new regulatory partnership between providers, stakeholders and tertiary sector regulators.

ACPET and its members support measures that protect the interests of their students and drive poor performing providers from the sector. ACPET has a keen interest in ensuring only the very best providers enjoy the privilege to train and educate our young people and others to meet their career aspirations and the needs of business and industry.

ACPET is supportive of the recommendations contained within the Interim Report from the Senate Select Committee on Red Tape, which are reflected in our recommendations.

**Australian Skills Quality Authority**

ACPET and its members support measures that protect the interests of their students and drive poor performing providers from the sector.

The present regulatory environment is one where independent providers largely see they are little more than regulatory objects, or targets. There has been little real consultation with the sector in the development of the raft of legislation and regulations that have been introduced in recent years.

The sector can play an important role in identifying priorities for provider assistance and advice, and building the capacity of providers through professional development, moderation and tailored provider support. This partnership should extend to more formal relationships with the regulator to consider, for example, audit data and trends and possible remedial actions.
ACPET supports improved stakeholder engagement between ASQA and independent VET sector providers.

The report into the National Vocational Education and Training Regulator Act 2011 noted that providers see little connection between the actions they are taking to satisfy the regulator and their main business of delivering quality student outcomes. This reflects the advice that ACPET has received from its members that an Australian Skills Quality Authority (ASQA) audit is viewed as a process directed at ensuring strict administrative compliance and fails to fully consider the quality of student outcomes. Members also report that there are inconsistencies in audits and too many audits are ‘personality driven’.

ACPET members believe that there must be ‘scalability’ in ASQA’s regulatory approach taking into account some RTOs may have a small scope and a small number of students while others may have a large scope with a large student cohort.

ACPET maintains a view that students and industry are best served when a regulatory audit is seen as a business improvement opportunity. The audit process should be an opportunity for the regulator and the provider to ensure that systems are refined to strengthen outcomes for students as opposed to something that’s just a box ticking exercise. This requires new thinking on the part of both the regulator and the independent tertiary education sector, which highlights the need for increased dialogue.

To ensure a regulatory framework is fit for purpose it’s important that there is proactive and regular engagement. To this end, ACPET’s approach is to step-up engagement with ASQA so that together, outcomes are agreed, performance is monitored and there is a shared focus on quality and continuous improvement.

The review into the National Vocational Education and Training Regulator Act 2011 also recommended that ASQA develop and implement processes and capabilities to proactively engage with Registered Training Organisations (RTOs) and other stakeholders. The desired outcome is to improve the value of a student-focused regulatory approach and to involve the sector in developing the regulatory culture that drives ASQA’s use of its legislative powers. ASQA has taken some important first steps in this direction; however, there is far more that should be done to enhance dialogue between ASQA and the independent tertiary education sector.

To support this, ACPET recommends that ASQA adopts the following key elements of effective stakeholder engagement as set out in the Department of Prime Minister and Cabinet’s Guide to Implementation Planning:

- Involving the right stakeholders
- Ensuring a fit-for-purpose approach, with well-managed interactions
- Managing expectations
- Using the information obtained from stakeholders.
ACPET seeks a true engagement process in the auditing of RTOs where the regulator works with the provider to improve students and employer outcomes.

**Recommendation/s —**

11. Government reviews VET Student Loans with the aim to remove the 25 per cent loan fee for independent providers and raise caps on qualifications where evidence demonstrates that existing caps are too low to deliver suitable courses to meet student and industry needs.

12. The Commonwealth Government, through the Council of Australian Governments, review the regulations affecting the VET system to identify opportunities to reduce regulatory overreach and aim to reduce the increasing burden of red tape on independent providers.

13. ASQA develop and implement processes and capabilities to proactively engage with training providers and other stakeholders with the aim to utilise audits as a business improvement opportunity and improve student outcomes.
Appendix A: ACPET Introduction

The Australian Council for Private Education and Training (ACPET) is the peak business organisation representing independent providers in the higher education and vocational education and training (VET) sectors.

ACPET members make a significant contribution to education and the economy and are representative of the independent sector that delivers training and knowledge to over 3,000,000 students a year, with a workforce of some 100,000 people. Independent providers deliver around 60% of all VET student enrolments nationally, about 90% of international student VET enrolments and are growing higher education enrolments at over 10% per year. Student satisfaction rates are equal to or better than those of public sector TAFE institutions and universities. In this context ACPET’s projects and policy priorities are directed within the following framework:

**ACPET’s Vision —**

ACPET is recognised internationally as leading the quality provision of skills and knowledge for the future by ethical, independent providers of Australian tertiary education.

**ACPET’s Mission —**

To position the independent sector as leaders of quality and innovation in Australian tertiary education.

A major focus for ACPET is to support providers in the higher education and VET sectors reach export markets, whether this be for students undertaking study within Australia or at off-shore campuses of Australian tertiary education providers.

Policy advocacy at ACPET uses the experience of our members to work towards a regulatory framework for the VET sector that is based upon a risk management approach that ensures independent providers can deliver quality training outcomes while at the same time freeing business from a regulatory burden that makes little or no demonstrable contribution to quality improvement.

ACPET’s head office is in Melbourne and the organisation operates nation-wide with staff located in Adelaide, Brisbane, Perth and Sydney. ACPET’s policy advocacy and research team is located in Canberra.

For further information visit the ACPET website at: www.acpet.edu.au
## Appendix B: Abbreviations Used In This Submission

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