NOTES TOWARDS

TDA/VTA response to the National Skills Standards Council’s Consultation Paper – Review of the Standards for the Regulation of Vocational Education and Training

Background

The Standing Council on Tertiary Education, Skills and Employment (SCOTese) has asked that the National Skills Standards Council (NSSC), as a priority, undertake a broad ranging review of the standards for the regulation of vocational education and training (VET), focussing on issues of quality.

The proposed outcome of this review will be a single national set of standards for the regulation of VET that is appropriate for ensuring quality outcomes, clearly documented, capable of being consistently interpreted by registered training organisations (RTOs) and regulators, and effectively implemented through nationally consistent regulation.

TAFE Directors Australia (TDA) and the Victorian TAFE Association (VTA) welcome the opportunity to comment on the NSSC Consultation Paper, Review of the Standards for the regulation of VET. TDA members include 61 public providers across all states and territories. VTA is the peak body for Victorian TAFE providers including 14 TAFE institutes and 4 multi-sector Universities.

We recognise that the publication of the Consultation Paper is the beginning of a process that will culminate in Standards to be presented to SCOTese for endorsement in 2014. As the largest national providers of accredited training we believe that it is vital that public providers are seen as partners at every stage of the development of the Standards. We look forward to further opportunities for engagement by public providers in this process.

TDA invites your comments and encourages you to submit individual responses in addition to this joint from TDA/VTA.

Please provide your feedback to pcaven@tda.edu.au by Wednesday 11 July 2012.

The following draft commentary/points were drawn from two focus groups in Victoria

Overview

TDA/VTA’s position is that while the current Standards (AQTF/SNR) can and should be improved, improvement of the Standards by itself will not guarantee national consistency and quality.

The key is to look at quality outcomes through the implementation of the regulatory framework. What is required is consistent and expert interpretation of the Standards by the Regulator (and the auditors) and by a capable and confident VET workforce who can make judgements consistent within Training Package standards and assessment principles.

TDA/VTA are therefore of the opinion that the intersection of this and other reviews cannot be summarily put aside as the authors of the NSSC Consultation Paper have done on page 7 of the Paper. ¹The context in which quality is defined and implemented cannot be ignored.

¹ While the review will be cognisant of ensuring that the standards support and align with other components of the regulatory framework, it will not seek to re-prosecute other components of the regulatory framework, in particular
Arguably the current purchasing policies of some State Governments have focussed on the quantity of VET graduates rather than the quality of the educational and vocational experience. This is reflected in the operations of our Victorian members who have been forced to close operations because quality at the level required by the standards cannot be met at the prices being paid.

Training Packages have diverse and sometimes conflicting prescriptions. Assessment of competence is what gives the students, employers and the community confidence. This requires competent and confident VET professionals to make the required professional assessment judgements for quality outcomes. The skills of the VET workforce should not be summarily dismissed from consideration by the NSSC.

**Some general observations**

1. Members did not necessarily want a new set of Standards to be more specific, rather they wanted the language in the Standards to be clearer and less ambiguous. Examples were provided where ambiguous adjectives such as *current* and *efficient* can give rise to very different interpretations by providers and auditors. Members want the Standards to be streamlined and simplified. In addition there should be clear advice on interpretation of the Standards mirroring, but extending what is currently in place for, AQTF Standard 1.4, so that there is greater consistency of interpretation across providers and auditors.

2. The Standards ought to allow providers to have flexibility and avoid being too specific.

3. Conversation in the VET sector over time has been about an outcomes focussed approach to regulation. In reality the focus has been on compliance, not quality. Members agreed with the contention in the Consultation Paper that the Standards ought to be outcomes focussed. While the current standards purport to be outcomes focussed they are driven by inputs and processes. The current Standards are focussed on how – what documents do you as a provider have; who have you consulted etc. As will become clear in our answers to specific questions (below), members believe that much more work needs to be done in defining ‘outcomes based’ and how this is measured.

4. Members commented on the tensions that exist in achieving national consistency. Clearly having two non-referring States inhibits national consistency. There are key issues for providers that want absolute clarity which cannot be achieved in the current arrangements with Victoria and WA not referring powers to the national regulator. While Victoria and Western Australia do not refer powers to the national regulator, and providers in those states are regulated by state-based and/or ASQA there cannot be a guarantee of nationally consistent regulation of VET outcomes. As a priority AQTF and SNRs (which has a legislative basis) need to be aligned.

5. There are other tensions cited by TAFE providers, most notably the at times conflicting reporting requirements of RTOs in receipt of government funds where “the banker and the policeman are in conflict”. Members maintain that training must equip

resourcing of regulators, ISCs or any other body; funding mechanisms used by governments; standards for the development and endorsement of Training Packages; VET workforce development strategies; or regulatory frameworks of higher education, international education, schools or other sectors.
students for work and for further study; the current regulatory processes are more concerned with compliance with the Standards.

6. Members believed that this review of the Standards offered a significant opportunity not just to review the current Standards, but also the opportunity to harmonise the standards for vocational providers with the Standards for higher education providers. TEQSA regulatory principles of regulatory necessity, reflecting risk and proportionate regulation, should be integrated within the VET standards and be clearly reflected in the Risk Framework. ASQA’s powers need to be balanced within the Standards, taking into account the risk profile of established providers. This would better reflect the tertiary environment in which providers now operate in which a range of TAFE providers are multi sector institutions.

7. TDA/VTA argues that there needs to be a transparent risk based framework that governs the way in which ASQA regulates across the 5000+ RTOs. TDA has developed the case for provider categories.

8. The role of industry in setting Standards is enshrined in Training Package development. Beyond that the role, expertise and representative nature of industry was questioned by our members. While the Consultation Paper puts industry at the centre of quality in VET, members were not always sure who industry was – the ISCs/ large enterprises, small/medium enterprises. We agree that the VET Standards are required to address both the health of the business and the core business of training institutions – teaching, learning and assessment, consistent with industry standards (Training Packages).

\[2 \text{The Case for Provider Categories, TDA 2011} \]
Q1. Overall, what is the scope of change required to meet the changing needs of the sector and preserve the reputation of the sector? Is it minimal, significant but within the key areas of the standards, or significant reform?

- There is certainly need for improvement of the Standards but not to diminish the intent to recognise the diversity of providers and allow flexibility. TDA/VTA do not want more prescriptive compliance driven standards.
- Improvement in the Standards is needed, most notably to the language; however significant change is required to the implementation of the regulatory framework. Unambiguous implementation guidelines, binding on the RTO and auditor are lacking.
- TDA/VTA recognise that confidence in the assessment of student’s competence is at the heart of a quality system. The Consultation Paper refers to the dubious quality of some Certificate IV in TAE delivery (Reference strategic audit) which impacts on the quality of graduate trainers and assessors assessing vocational competence.

Q2. Do the national standards (or their regulation) require an increased focus on assuring nationally consistent, high quality training and assessment services?

- Members agreed that national standards and their regulation require an increased focus on assuring nationally consistent, high quality training and assessment services.
- ASQA operating across jurisdictions requires consistency in its interpretation of the Standards. RTOs need a clear and unambiguous regulatory framework that is outcomes focussed.
- Members felt there is now an over emphasis by auditors on ‘vocational currency’ at the expense of teaching and learning outcomes.
- National consistency would be enhanced by:
- Improving the quality of teaching and learning services and skills of teachers/assessors.
- Consistency in the way the standards are interpreted by the regulators and their auditors
- Use of the same guidance documents by both the RTOs and the auditors for the purpose of interpretation

Q3. How can the standards ensure national consistency in qualification outcomes that are recognised by industry?

Q4. What is the role of external validation or independent moderation of assessment outcomes in the standards?

Q5. What other mechanisms might be used, other than external validation of assessment, to improve consistency in outcomes?

- The Standards cannot assure quality. Rather they indicate a level of quality to be reached. Regulation aims to ensure national consistency. Currently there is
inconsistency in interpretation that impacts on providers. There is a need for implementation guidelines to support the Standards.

- Training Packages have a role to ensure nationally consistent standards. If the Training Packages reflect industry (including SME) expected standards, quality outcomes will occur. The role of industry is not always clear – industry is not always a clear & unified voice.

- External validation is supported in principle as a strategy for boosting consistency and parity of assessment judgements. However the definition of what constitutes external validation is currently unclear as is the extent of its proposed implementation.

- Validation and moderation are different yet the terms are used interchangeably and there is an absence of clarity or meaning and where responsibility lays and what is expected.

- There needs to be application of the principle of proportionality – not a blanket validation of all units, but a sampling, based on risk criteria. Without such an approach the system could sink under the weight of external validation. The principle of proportionality is applied by TEQSA but not by ASQA.

- There may need to be greater clarity in Training Packages about what qualifications assessors need to deem competence. Industry expectations ought to be embedded in Training Packages, not resourced in validation.

- Who should be the validators? What metrics should be used?

- External validation could well be rife for collusion.

- See comments below – in summary, enshrining the rights of industry within the National VET standards represents a conflict of interest, and potentially undermines the role of Auditors.

Q6. Should ‘outcomes focused’ remain a key feature of the standards?

- TDA/VTA believe that the standards allude to being outcomes focussed, but never have been really outcomes focussed.

- While we agree that the standards ought to be outcome focussed, the difficulty is how to demonstrate the teaching/learning/assessment are outcomes focussed. Outcomes also vary with client needs. There needs to be work on what constitutes ‘outcomes based’. How do you know if outcomes have been achieved? The auditors currently question ‘how’ RTOs get to an outcome. The question not being asked is ‘did the student emerge with skills they want/need?’ This latter question is difficult to assess consistently, but is more important than the process, inputs or systems.

- The National Quality Indicators are:
  - Learner Engagement
  - Employer Satisfaction
  - Competency Completion

Typical measures currently applied to make a judgement on outcomes achieved:

- Completion rates, although this is clearly problematic (students leave to get employment)
- Satisfaction
- Graduate destinations (A higher education measure)
While we agree that there is a need to get away from process/input regulation as a proxy for outcomes, there was recognition that these are some things the RTO has control over whereas RTOs have no control over Training Packages, the quality of student input and the labour market.

The current Quality Indicators are a useful starting point; however they need review and are not reliable indicators of quality outcomes. Universities use graduate destination surveys as an alternative and their applicability to the VET sector should be investigated.

- There are many gaps in the information available about Australia’s registered training organisations (RTOs). In 2010, of the approximately 5,000 RTOs, some 2,700 provided no data, meaning a gap in the information on training activity and qualifications. As noted in the recent COAG Consultation Paper, Regulation Impact Statement on VET data collection: “No comprehensive, economy-wide data on VET student numbers, the courses being undertaken, the level of those courses and qualifications issued are available.”

**Q7. How user friendly are the standards in terms of interpretation and implementation and where and how could they be improved?**

**Q8. How could the standards framework be improved to make them more streamlined?**

- *The interpretation of the standards by RTOs and auditors is currently problematic.* There is enormous variation in the skills/expertise of the auditors. There should be moderation of audit judgements.

- New User Guides need to be written in plainer language and adopted by state regulators and ASQA. Along with clear unambiguous standards, there needs to clear guidelines about what the standards would look like in practice. It was recognised that auditors however must audit against the Standards, not the guidelines. The auditors’ handbook and the RTO handbook need to be the same. The Guidelines should describe what ‘quality’ looks like in practice, is binding on both the auditor and RTO, is unambiguous, and is based on the standards. RTOs use the guidelines to interpret the standards and discuss their interpretation with the auditor.

- The current AQTF user guide has a level of validity attached to it and could form the basis for new User Guides.

- Again there is the problem of different master and different standards (the banker and the policeman) and an enormous administrative impost on RTOs – there is a tension between the two systems.

- The quality of an audit is dependent of the quality of the auditor and as such the training of auditors is critical. The development of a quality auditor training program to train quality auditors to conduct offshore audits utilising the audit guidelines and consistent with the international standard: Guidelines for quality and/or environmental management systems auditing (AS/NZS ISO 19011:2003) helps to address this and is a model for consideration in the Australian domestic VET context.

- The audit process should not be adversarial. The auditor is the critical interface for the regulator. Auditors need to understand what it is they are auditing. The quality of a training program can be measured by many things. Auditors must not lose sight of
what they are auditing. What goes on in the “classroom” cannot be forgotten in a quality audit within an educational or training setting. The development of audit guidelines, which address AQTF and AS/NZS ISO 9001:2001 Standards for offshore delivery, assists auditors in achieving this understanding.”

Q9. **Is the purpose of the national standards for the regulation of VET most directly concerned with RTOs, or with the training and assessment services they provide, or with the outcomes that they achieve?**

Q10. **How should the purpose of the national standards be expressed?**

- The standards need to move away from ‘administrivia’ and focus on teaching/learning and assessment.
- The current standards are resource intensive and impose significant administrative burdens on all RTO’s and at all levels of the organisation. Whilst there is a strong case to be made for improvement across the breadth of RTO operations, the revised standards need to be readily applied to appropriate areas of responsibility.
- Structural work needs to be done to ensure that the standards are designed for operational application. This especially applies to Guidelines.
- ISO ought to be recognised favourably in the audit process.
- When the client is better informed (MySkills/Unique Student Identifier) this may drive quality in an environment of competition and contestability.
- The purpose of the national standards for the regulation of VET equally concerns RTOs, the training and assessment services they provide AND the outcomes they achieve.
- The purpose of the national standards should be expressed as minimum expectations.

Q11. **What are the key characteristics of an effective regulatory model for the VET standards?**

Q12. **Is there a place for self-assessment and/or self-regulation in VET and what role would the regulator as the responsible registrar, have in such an arrangement?**

- The RTO should be able to self-assess. This underpins a risk based approach.
- The bottom line is that there needs to be a risk framework for RTOs (or parts of RTOs). Organisations can use this to their advantage over time to reduce risk. ASQA should be guided by the regulatory principles of TEQSA; risk, necessity and proportionality. TDA/VTA supports a transparent risk framework.
- The regulator’s role is to apportion risk (explicitly) and apply a tiered structure. (TDA Case for Provider Categories publications).
- We endorse the statement on page 13 ‘To ensure the success of an outcomes focused model…….factors such as size, scale and scope.”
Q13. How can the standards support the availability of easily accessible, appropriate and high quality information that gives learners and employers greater confidence that the choices they make are the rights ones for them?

- It is the role of the standards to support the quality and comprehensiveness of VET information in the public domain. The standards should support the introduction of MySkills and the USI. In relation to data provision requirements, it is only valid if ALL registered VET providers have to contribute. Currently some providers are not subject to the same provisions of disclosure as TAFEs.

Q14. How can the standards support the achievement of current national goals and policy objectives?

- There is a need for learners/ employers/the community to have confidence in quality. The relationship between standards and policy has not always been evident.
- The policy context in which the standards exist can lead to disconnect eg the focus on quantity of participants/ graduates in VET can lead to quantity being elevated over the quality (outcomes). Why not harmonise the standards used by TEQSA with those implemented by ASQA?
- Some members were of the opinion that the role of standards is to DRIVE quality training and assessment, not just SUPPORT/ASSURE quality teaching and assessment.

Q15. What, if any, is the appropriate level of student protection that the standards should provide in addition to the protection provided by consumer protection law?

- Consumer protection = Tuition Assurance
- Again the need for the principle of proportionality

Q16. How can the standards support industry being appropriately engaged to ensure high quality outcomes are achieved?

- There are problems with the way in which the term industry is used throughout the Paper. Industry does not have a single voice, nor is always informed/interested in training issues. Primary focus for engaging industry is through the development of Training Packages.