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Dear Dr Karmel,

REVIEW OF THE AVETMIS STANDARD FOR VET PROVIDERS

TAFE Directors Australia (TDA) is pleased to respond with comments to the AVETMIS Standards review.

TDA considered the issues and questions raised in the discussion paper for NCVER's current review of this AVETMIS standard. While acknowledging the importance of a relevant, reliable and informative national information collection, TDA has decided not to respond to the specific questions listed in the attached feedback template. The purpose of this letter is to outline the reasons for our decision, and suggest that NCVER adopt a different approach to engaging with TAFE Institutes in order to refine and improve all three AVETMIS standards (i.e. VET Providers, Finance, and Apprentices and Trainees), and makes some recommendations accordingly.

REGULATORY BURDEN OF CURRENT ARRANGEMENTS

The AVETMIS review should take account of the regulatory cost burden of the current system, and its imbalance with the real VET market.

In the short term, TDA has concerns that the AVETMIS review may hold little or no immediate benefit to TAFE Institutes or their students. TAFE Institutes already provide a vast quantity of data to NCVER for inclusion in the VET Provider collection. The data and reporting requirements are time consuming and very costly to Institutes, and with limitations to benchmarking. This is a regulatory cost issue pertaining to competition and which we have from time to time additionally raised with the Productivity Commission.

Some members commented the following, when we circulated this brief:

- *Each time a new field is added, or a data element is redefined, considerable additional work and system changes are entailed but the associated increased costs are almost never taken into account and reimbursed in government purchasing and funding arrangements.*
- *This burden falls disproportionately on TAFE – far less is required of private provider and industry RTOs with a resulting strong and often misleading bias in the national information collections and reports.*

ISSUES UNDER SECTION 1 – STUDENT INFORMATION

TDA does support the AVETMIS Review to review what we regard as an overemphasis on completion of whole qualifications – and additionally, lack of differentiation between apprenticeships and traineeships – while there has been a corresponding lack of attention to the important contribution that skill sets and courses make to workforce productivity. Given individuals and industry have increasingly invested in short-term training, this issue of competency sets remains a key issue for the sector, not merely TAFE.

TDA recommends the creation by NCVET of a dedicated Consortium on TAFE and public VET, under the AVETMIS review.

Experience in recent years has demonstrated that given multi-jurisdictional decisions to create funding models toward a more competitive market arrangement for VET, that data systems, competency sets - including across industry sectors – and workforce needs, all require similar paradigm change to market research collections. Importantly, TDA advocates that these changes have made it essential that NCVET creates more accountability on research decisions about TAFE Institutes, and their students, and public VET in Australia. Additionally, after several benchmark TAFE Missions abroad to international VET sectors, it would be important that benchmark applications be added to this Consortium brief.

Separately, TDA points to system change likely as Australia moves ahead with legislation toward a more integrated and connected tertiary sector. For this reason, TDA comments that the VET sector should no longer continue to develop information systems that are independent of those in higher education. The proposal for a unique identifier is a case in point.

Nor can VET administrators continue to rely on a 'one size fits all' approach to the system information collection and reporting. The potential gravity of the reputational risks involved arose during the past 18 months during the wave of private college failures, allegations of fraudulent international education certification practices, and reach of Federal tenders (EG areas such as Productivity Placements Programme training) concerning their effectiveness. Regrettably, most of these VET system disappointments remained issues largely outside NCVET's brief.

A more refined and differentiated data collection system may preferably have stronger reach into regulatory standards, and contribute to a more forward looking set of standards which may detect such practices or review of ad hoc (Federal) funding, and ultimately, better address industry lobby's expressed concerns about expenditures in public VET.

Australia's education sector, which has emerged as the nation's third largest export industry, justifies investment in data standards to not merely cover current labour market practice, but reach intelligently across what will also emerge under the National VET Regulator (and 2013 changes), thereby requiring more integrated data on the national VET system, and trends abroad. In addition, given the competition environment, TDA recommends that AVETMIS is accompanied by a framework to require care be adopted toward system cost balance, thereby supporting external investment in such changed data standard processes.

THE VET SYSTEM

TDA is not aware of the terms of reference for the National Training Statistics Committee, nor if TAFE Institute technical expertise has been incorporated within this group. For instance, many states including Victoria have taken steps to upgrade TAFE/VET systems, and similarly, the DEEWR review of the National Broadband Network being applied to TAFE is yet to be defined.

For this reason, TDA recommends the AVETMIS standards and of the NTSC would be materially enhanced with the inclusion of expertise from TAFE Institutes on the NTSC.

I would be happy to discuss these proposals with you in further detail.

Yours sincerely,

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CEO

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