



**Victorian  
Chamber of Commerce  
and Industry**

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Mr Shane Thomas  
Chair  
Training and Assessment Working Group  
Department of Education and Training  
GPO Box 9880  
Canberra ACT 2601

Dear Mr Thomas

### **Submission to the Federal Government's *Quality of Assessment in VET* Discussion Paper**

The Victorian Chamber of Commerce and Industry (Victorian Chamber) welcomes the opportunity to provide a submission to the Federal Government's *Quality of Assessment in Vocational Education and Training* (VET) Discussion Paper.

As the state's most influential business organisation, each year the Victorian Chamber informs and services more than 15,000 members, customers and clients across the state, encompassing all industry sectors and spanning small, medium and large-sized businesses. Many of these businesses are impacted by the quality of assessment in the VET system through their employment of students and use of the training system to improve staff competencies.

The quality of VET is a longstanding Victorian Chamber priority and features prominently in our advocacy, including our 2014 *Taking Care of Business* State Election business agenda and the Victorian Chamber's 2015 Higher Education Taskforce report *Reforming the Victorian Vocational Education and Training* system. We are currently working closely with the Victorian Government to help transform the Victorian training system.

In preparing our submission, the Victorian Chamber convened a number of consultation forums with employers and training sector providers to canvass their experience with the VET system. Feedback indicates that reforms which reduce the complexity of the VET system and strengthen quality assurance will be crucial to lifting quality standards across the training system. These matters are discussed as follows:

#### **Reforms must reduce the complexity of the VET system**

The complexity of the VET system works against its capacity to respond swiftly to individual, industry and enterprise demands for skills and workforce development.

Feedback from Victorian Chamber members indicates that the needs of students and business are often obscured in the detail of programmatic responses, funding accountabilities, overlapping governance structures, competing and at times inconsistent objectives, and unclear outcomes.

Training providers have remarked on the many models in operation, varying pricing regimes, lack of transparency and inconsistencies in program funding rationales in place across states and territories.

One of the key reasons for the complexity of the VET system is the continual reforms to funding models. The Federal Government substantially changed the financial incentives and wage subsidies of employers between 2011 and 2013 without any detailed knowledge of the changes some states were making to the funding for some qualifications. The result has been a dramatic slide in apprenticeship numbers.

Complexity is compounded by differences in funding available for the same qualification in different jurisdictions. For example, one retail training qualification, delivered as a traineeship in most states, varies from \$5788 in user choice funding with a \$404 learner contribution in the Northern Territory, to a \$2550 state contribution in New South Wales<sup>1</sup>.

These influences mean participation in the VET system is particularly problematic for employers operating across state borders. In the Victorian Chamber's view, there is a clear need for greater national consistency in course funding, qualification assessment, qualification content and contact hours.

### **Reforms must lift quality standards across the training system**

Many VET training providers are working hard to deliver high quality training that meets student needs and the needs of the labour market. Unfortunately, this is not always the case. The quality and variability of training provided by some providers has been detrimental to students and employers.

The integrity of the VET sector has been further undermined by the sales, marketing and training strategies adopted by some providers. Inappropriate conduct has manifest itself in a number of forms, including:

- Misrepresentation of training products and services.
- Misleading representations that students will successfully complete a training product or obtain a particular employment outcome.
- The manipulation of students into inappropriate courses.
- The provision of incorrect information to potential students about courses and the quality of the provider.
- The charging of excessive course fees.

Such is the level of business and student concern over the risks and costs of poor providers and undesirable activity that there has been a general loss of confidence in the VET system. This cannot continue and reinforces the need for quality assurance to be placed at the forefront of the government's management of VET.

While a more informed market and greater transparency around the standards VET training providers are required to meet can help employers and students to make better choices, regulation and compliance also has an important role to play in improving training quality and responsiveness.

With this in mind, the Victorian Chamber supports changes to the regulatory framework that:

- Improves the capacity of the Australian Skills and Quality Authority (ASQA) to focus on the outputs of the assessment process, rather than the process itself.
- Extends independent re-testing of graduates in cases where there are high numbers of employer or student complaints despite graduates having been deemed competent by the training provider and had their qualification issued.

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<sup>1</sup> Focus on Skills: Building a Better National VET System, Australian Chamber of Commerce and Industry, February 2016.

- Strengthens rules around the conduct of and evidence to support training provider assessment. A stronger role for employers in validation of assessment is also supported.
- Critically examines external review processes that may affect ASQA's enforcement powers, including the interplay of the Administrative Appeals Tribunal.
- Enables ASQA to better target high-risk providers and address offences through the use of stronger civil penalties and more effective application of enforceable undertakings.

The Victorian Chamber stresses that regulatory oversight and enforcement must be risk based, procedurally fair and not impose an unnecessarily high burden on compliant providers.

### **Concluding comments**

Australia must restore its reputation as a quality provider of VET programs. A training system that delivers quality work related skills is vital to improving productivity, creating jobs and increasing economic growth.

Improvements in quality assurance are key to driving quality improvements within the VET system. Changes must put industry, employers and students first.

Making the system more responsive to individual and enterprise needs will also require a renewed commitment from all governments to overcome the currently disjointed models and their inconsistent and unreliable funding.

The Victorian Chamber looks forward to continuing to work with the Federal Government to implement reforms to the VET system that reduce complexity, strengthen stakeholder confidence and grow employment.

For further information regarding this submission, please contact Steven Wojtkiw, Executive Manager Policy, Victorian Chamber of Commerce and Industry on 03 8662 5357.

Yours sincerely



**Mark Stone**  
Chief Executive