

10 September 2020

Ms Saxon Rice  
Chief Commissioner and Chief Executive Officer  
Australian Skills Quality Authority  
GPO Box 9928  
MELBOURNE VIC 3001

Via email only: [Saxon.Rice@asqa.gov.au](mailto:Saxon.Rice@asqa.gov.au)

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Dear Ms Rice

### **Submission on Approach to Effective Self-Assurance for the VET Sector**

Thank you for the opportunity to provide a submission on the Australian Skills Quality Authority's (ASQA) consultation paper, *Working Together towards effective self-assurance*. I thank ASQA for the extension to the time to respond, to enable a comprehensive and considered submission.

TAFE Directors Australia (TDA) supports effective self-assurance in the Australian tertiary education sector to supplement the key role of regulators in buttressing quality.

TDA's position is always from a concern to guard against poor practice in the Australian Vocational Education and Training (VET) sector, which diminishes vocational education for students and ultimately impinges on TAFE's capacity to serve students and industry. Our considerations are:

- the overall reputational harm from poor practice in other parts of VET dampens the confidence industry and the community has toward TAFE's;
- inevitably, divisive commentary on the merits of public and private VET arises and takes the conversation and policy commentary away from building quality;
- new work-arounds arise simply to game the funding system - assessment being one such example - which creates new norms for (poor) vocational education that ultimately drives the whole sector to lower quality;
- the regulatory and policy response to guard against poor practice and behaviour is inappropriately directed to TAFE's and adds needless compliance costs; and
- genuine vocational education to advance the lives of hundreds of thousands of Australians is further compromised.

We note from the title of the discussion paper and the proposed timeline that ASQA's intent is to work through the concept and application of self-assurance. This is welcome. Our comments go to the context of self-assurance in the VET sector, which may inform the roll-out strategy. We then present some examples of self-assurance that operates in TAFE's, derived from their public sector status.

## **Quality appears illusive**

At this point, we remain concerned about the state of the Australian VET market. For example, on 2 August 2020 the Queensland Government announced one in three contracts with private registered training organisations (RTOs) in Queensland for training subsidies were cancelled over the last four years. The Queensland Government further noted that in the last 12 months alone it ended funding agreements with 60 Queensland private RTOs.

As the Queensland Government noted, '...for the first time in Queensland's history we are proactively auditing every training provider in QLD to ensure they meet our strict standards.' For the Queensland Government to undertake such a costly action and to warn that complaints of fraud are referred to police and that bait advertising is thoroughly investigated indicates there are still some core issues impacting the reputation of VET. This is in the context of Queensland operating within the national training system and the national regulatory framework.

While these matters are likely to do with contract management and potentially outside of ASQA's remit, students and the community do not make this distinction. Self-assurance is hardly useful to the sector if it is promoted as a quality solution, albeit framed against ASQA's remit, and factors outside of ASQA's remit compromise the sector's and community's perception of quality of the sector. It is worst still if self-assurance ends up shielding poor behaviour of providers from ASQA's oversight.

## **There is a need to clarify the target areas of self-assurance**

The case in Queensland and our experience with the closure of Careers Australia show that many 'quality' failures can be sheeted home to accessing public funding. There is a long-held tension in the quality framework for VET between the standards for delivery and behaviour by some providers aimed at maximising public funding in ways that run counter to most persons' concept of fairness.

Reminiscent of the billions of dollars injected into the VET sector through VET FEE-HELP (VFH), the Commonwealth and states and territories are about to inject \$1 billion over about a year into the VET market, which is still in the same artificial immature steady state as it was during VFH. JobTrainer will expose about an additional 340,700 school leavers and job seekers to the VET market. These will be VET students who have already had life plans derailed by COVID. The reputation and confidence in the VET market is therefore critical.

We take from your recent submission to the Productivity Commission that ASQA is still concerned about systemic issues impacting quality. We note, however, that the slide presentation accompanying the ASQA webinar on self-assurance is built on the notion of confidence of providers in their assurance processes.

TDA has first-hand understanding of what happens when private providers are publicly confident of their ability and promote themselves as best practice. At the 2014 Queensland Training Awards, Careers Australia was bestowed by their peers the large training provider of the year award. Yet, looking back this was the start of what was for many thousands of

students an unfortunate trust in Careers Australia's own confidence. They were liquidated about two and a half years later.

Many providers intent on gaming the system have high levels of confidence in their abilities and character. With around 4000 RTOs currently operating in Australia, there remains a strong need to maintain confidence in the VET sector beyond the belief in self-assurance. As a comparison, New Zealand would seem to have about 270 VET providers.

In view of the previous comments, there may be merit in being clear about the limits of ASQA's responsibilities and therefore the areas of application of self-assurance, i.e. concerning the elements of RTO operations directed to achieving student outcomes as set by the *Standards for Registered Training Organisations (RTOs) 2015* (the Standards) and training packages.

There may also be merit in considering maintaining contract compliance for public funding as a key input for self-assurance, noting the connections that would need to be made with state and territory funding bodies.

### **More analysis needs to underpin the roll-out of self-assurance**

We are disappointed the *Rapid Review of the Australian Skills Quality Authority's Regulatory Practices and Processes* did not take the time to analyse the root cause of the closures and sanctions imposed by ASQA in recent years as that may have given rise to some degree of specificity in the application of self-assurance. It can only be assumed the vast majority of decisions by three commissioners were sound.

The sense that providers of the nature that caused ASQA's action can now cover their actions through the comfort of a self-assurance blanket must be resisted. For this reason, we believe self-assurance, to the extent it leads to a lightened audit load, should only be applied to those trustworthy providers with a demonstrated history of compliance.

In the short term, the VET market needs to be confident ASQA is moving on self-assurance from a strong and robust base. There needs to be a continued and public focus on ensuring those not doing the right thing are held to account, and this is done in an open and transparent manner. As the Queensland Government has noted it intends to be seen, and to be, stamping out dodgy training providers. ASQA will continue to have TDA's full support in holding the sector to account in a fair and reasonable manner, and where necessary to stamp out dodgy training providers.

TDA therefore supports self-assurance that is considered in its implementation and where it is not the only or dominant focus of the regulators.

### **Foundations need to be laid for self-assurance**

We note the concept of self-assurance outlined in the Rapid Review appears to arise from a focus on outcome measures as indicators of quality. In doing so, the review indicated the meaning and measure of quality and excellence needed to be settled first. We appreciate this is not the remit of ASQA in policy terms, but we are concerned there appears to be little policy development work in the sector toward this end, particularly to inform this self-assurance work.

Exploratory work is needed to establish what is meant by quality, continuous improvement, and better practice. Sector consensus will also be critical for buy-in to self-assurance as the building block for quality.

I also note, at this point, the term best practice may mislead as it has connotations of destination, whereas better practice indicates a continuous journey.

In terms of foundation work it would seem ASQA's education program needs to have effect before self-assurance is implemented in a systemic way. The prevalence of non-compliance, despite clause 2.2 of the Standards expecting providers to self-manage quality, indicates many do not understand the processes and measures for quality. We recommend the education program is developed and implemented first before self-assurance is rolled-out across the sector. And, of course, the attributes of quality and how to govern for quality will need to be settled to inform the education program. In this regard it is clear governments need to make some clear decisions, so self-assurance has a good basis upon which to operate.

There are also broader factors, as set out below, impinging on quality that would need to be settled before self-assurance is rolled out to the sector and to understand the interactions between them.

- The Australian Government this last month seems to be implying open competition will be the best driver of quality outcomes, as seen from the extract from the recently released Heads of Agreement for Skills Reform:

*Supporting a viable and robust system of public, private and not for profit providers, with contestability in VET markets, to ensure high quality training and student choice.*

- The extent to which the National Skills Commissioner will be recommending national subsidy and fee rates for public funding of VET may give rise to unintended quality outcomes.
  - In instances in VET where governments are 'price setters' and the price is low, training content and quality is usually compromised to fit with the price.
  - Where price is high, as in VFH, profit gouging follows.
- The range of tertiary education sector reviews and projects points to further changes in the sector. It would be worthwhile to have a firm handle on the policy intentions of these reviews as these may be self-assurance building blocks. While the phased implementation schedule caters for this, at the very least the self-assurance model needs to take account of the potential impact of these matters.

In noting the above, it is our view the research work being undertaken by dandolopartners on the Standards, on behalf of the Department of Education, Skills and Employment (DESE), are a fundamental consideration given the centrality of Standard 2 to self-assurance.

I am sure ASQA is working closely with DESE so the output of dandolopartners' examination of '...where the Standards are working effectively, and to identify potential areas of change to encourage and support RTO excellence...' is incorporated into consideration of

self-assurance. Importantly, given the need for the sector to 'own' self-assurance if it is to be a success, I assume the output of the dandolopartners consultancy will be widely shared with the sector.

In saying this, where an unnecessary regulatory burden may be lifted from the sector, or from a group of trustworthy providers, due to demonstrable self-assurance, then this should be pursued by regulators with vigour. Such a show of good faith will affirm that RTOs and the sector will be able to realise further benefit in supporting, and in meeting the intent of, the self-assurance agenda.

In relation to the annual RTO Declaration of Compliance I understand it is in the main an information source for ASQA, with over 4000 declarations received each year. I and my Board are interested in being informed of the analysis of the 4000 2019 RTO Declaration of Compliance submitted to ASQA and the conclusions ASQA and DESE have drawn from those declarations in informing a self-assurance model.

In particular, we are interested in ASQA's analysis of those declared areas of concern as well as those areas not declared that appear worthy of further investigation. As I outline later in this letter, we consider this is an important step to help provider groups, themselves, pursue quality.

### **TAFE and TAFE divisions of dual sector universities**

As you are aware, TDA is the national peak body incorporated to represent Australia's public Technical and Further Education (TAFE) institutes and TAFE divisions of dual sector public universities. In addition to its six dual sector members, nine other TDA TAFE members are both VET and Non-University Higher Education Providers. This means about half of TDA member TAFEs are already exposed to higher education regulation, and the self-assurance that comes with the regulatory framework for higher education.

In addition, the five Western Australia (WA) TAFEs are regulated exclusively by the Training Accreditation Council (TAC) WA. With the WA Department of Training and Workforce Development, TAC WA operate a partnership model that recognises quite distinctly the public ownership of WA TAFEs and their accountability to the WA Parliament through the responsible WA Minister. In fact, all TAFEs, as public providers, are accountable to their state or territory Parliament through their responsible Minister. TAFEs' strongest regulatory oversight is through their Parliament, Minister, and their state or territory department. As any TAFE CEO may acknowledge, in the end they are mindful to retain the confidence of their owners.

As importantly, TAFEs engage in peer-peer accountability, formally and informally, to build the relevance, quality, and reputation of the Network of TAFEs. This underpinning concept and belief in the Network of TAFEs has been a focus of TDA conventions going back at least to 2017, when the theme of the convention was Networked TAFE.

Out of this and subsequent TDA conventions has been borne a range of TAFE Networks that seek for continuous improvement through shared experience and the building of each TAFE's ability to detect and self-remediate risks of sub-optimum practice. These networks

also allow TAFEs to respond rapidly and effectively to changes in market demand for skilled labour, through shared knowledge and experience, or to changes in settings by their owners, such as the rapid introduction of Free TAFE. These networks range across most facets of TAFE operations, and the network members are passionate about quality VET, and quality higher education, teaching practice, and student outcomes.

I have attached to this letter a sample list of what is already fairly standard practice across the Network of TAFEs, in addition to the practices I have set out above, as well as a summary of the various networks operating across the Network of TAFEs (Attachment A). TAFEs have embedded these practices as part of their capability and to continuously improve the quality of outcomes for students.

I extend an invitation for ASQA to participate at any time in any of the policy networks on the question of quality operations and effective self-assurance and how these contribute to the capability of the sector. I thank ASQA for its recent participation in a meeting of the TDA Policy Network on Quality, Regulation, and Compliance to discuss self-assurance.

TAFEs have a long history in putting students first. As ASQA has recognised during its consultations, a fit for purpose self-assurance model will reflect that it is unrealistic to consider all 4000 RTOs as identical or seek to fit all RTOs into the same self-assurance model. In this regard, TAFEs are unique in their mission of serving their local industry and their community on behalf of their government.

### **System-level self-assurance is also important**

There is also an important system level approach to self-assurance. For too long those VET providers genuinely committed to students and high-quality outcomes for industry have been excluded, by design, from system governance. This extends to the design, development, and approval of training products. There is clearly the sense that RTOs are just the servants in the system, and this pervades policy discourse. As a result, even when they are alert to poor practice across the system, providers stand back with a sense of reservation that it is not their role and that their input does not make a difference. The establishment of the ASQA Stakeholder Liaison Group will be an important opportunity to redress the situation, and it will be able to provide step by step guidance on self-assurance over the coming years of implementation.

It should also be noted the notion of unfettered open competition, which seems to be favoured by the Australian Government, runs counter to this agenda – after all, the invisible hand of the market and student choice will clear poor providers from the system! We contend there are few in the sector who support this position. The risk of poor provision and behaviour is always a threat while there is clear fungibility in training products and delivery and the lure of easy public funds. While these issues remain unresolved, there is the risk that self-assurance will simply be seen cynically as an audit workload reduction strategy for ASQA.

That aside, and in the knowledge there is a large proportion of providers keen to lift the quality and reputation of the sector, we believe there is merit in greater transparency in ASQA decisions. While there are plans to publish abridged RTO audit reports (if these remain

named as such) there would be merit in ASQA publishing summaries and prevalence of the types of actions against each Standard plus other relevant metrics. Peak bodies and others with a commitment to the sector can then be great allies in the policy reform process. The fact that many findings from ASQA strategic reviews remain unaddressed in national policy instruments is a clear indication of inertia in the sector that could be addressed if there were providers front and centre in governance arrangements.

### **Self-assurance must be underwritten by access to transactional data**

Most reviews of VET conclude that there needs to be better data handling across the sector, and this will be the case for self-assurance. Ultimately, ASQA should be able to use data mining as a safety stop to guard against providers using self-assurance to shield poor behaviour. TDA has long held the view that the NCVET data reform project must be pursued with speed and rigour, otherwise there is likely to be further stop-gap data measures that give rise to a greater data collection load on providers with little benefit to the sector.

In closing, I congratulate ASQA on commencing this journey with the intent to raise the quality and, as importantly, the perception of quality of the VET sector in Australia. Many of the points in this submission relate to sector matters that, in our view, must be addressed in a serious way as necessary pre-conditions for effective self-assurance.

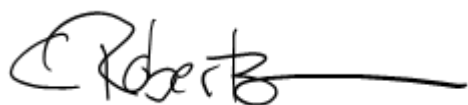
TDA supports an approach to effective self-assurance that is considered in its implementation and acknowledges the shape of the provider market to the extent that TAFEs already have self-assurances in place through their public sector ownership.

Should you wish to discuss this matter I may be contacted on 0412 299 028 or at [crobertson@tda.edu.au](mailto:crobertson@tda.edu.au).

Given the range of the above discussion, inclusive of broader sector matters, I have copied this submission to Ms Renae Houston, DESE, First Assistant Secretary VET Quality and Policy.

For your information, in the interests of transparency and sector discussion, I also intend to make this submission public on the TDA website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Robertson', followed by a long horizontal flourish line.

**CRAIG ROBERTSON**

Chief Executive Officer  
TAFE Directors Australia

## **TAFEs' Commitment to Self-Assurance**

TAFEs already practice self-assurance as described by ASQA in its consultation discussions with the sector and as canvassed in ASQA's consultation paper, *Working Together towards effective self-assurance*.

TAFEs' commitment to self-assurance includes:

- TAFE Boards are accountable to Ministers for organisational performance, compliance, and risk.
- An established Academic Committee (equivalent) with a strong focus on quality, students, and meeting the *Standards for Registered Training Organisations (RTOs) 2015*.
- As government businesses, internal governance structures are required within each State, such as risk and compliance committees (or equivalent) that monitor organisational quality and risk.
- Internal academic health check processes that are structured and, in many cases, are underpinned by annual external audits to ASQA standard.
- Student survey frameworks that go beyond just quality indicators.
- Structures to ensure industry engagement, for example most TAFEs have a senior Director role with a focused on industry alignment to ensure every part of the TAFE is undertaking industry consultation on delivery methodologies and assessment practices, separate from the TAFE business development function.
- Internal professional development structures, such as educator capability teams and educator capability frameworks for professional development of teachers.
- Workforce consultative committees with union organisations.
- Established staff communication channels, such as 'Conversations with Teachers', to enable a two way communication flow.
- Staff engagement surveys.

### ***National VET Educator Development Network***

The National VET Educator Development Network is a representative group from TAFEs across Australia. Established to drive, inspire, and maintain a positive and energetic approach to VET educator development to achieve a strong VET sector and to achieve positive student outcomes, which are central to Australia's growth and business productivity. The National VET Educator Development Network is:

- Providing a national forum to share information and strategy
- Facilitating cooperation and collaboration between TAFEs
- Providing a forum for focussed and sustained discussion on related issues and agendas
- Providing combined input into national strategic plans
- Promoting and supporting positive change management and reform initiatives



### ***TDA Policy Network on Quality, Regulation and Compliance***

Led by TAFE SA with representation from all states and territories, the Network seeks to:

- Improve the quality and relevance of TAFE programs by:
  - establishing/maintaining genuine supportive regulatory conversations; and
  - pursuing regulation and audit reform.
- Promote Australian TAFEs and TAFE divisions of dual sector universities domestically and internationally as demonstrably the benchmark sector within Australian tertiary education for quality of tertiary education and technical training.
- Work with, and encourage, Australian tertiary education regulators and policy departments to maintain an effective, efficient, regulated tertiary education sector through continuous improvement and recognition of better practice where that exists.
- Inform TDA's broader public policy and advocacy platform on issues related to quality, regulation, and compliance through analysis and sharing of information and experiences across the Network of TAFEs and dual sector universities.

### ***TAFE Network on Resource Sharing***

Newly set up under the guidance of the CEO of Chisholm Institute in Victoria the Network is seeking to:

- Explore options and approaches to share teaching resources with consideration of:
  - economy of scale benefits (including influencing national training packages)
  - national TAFE branded courses
  - streamline regulatory and compliance costs
  - maintaining TAFE autonomy in terms of teaching approach and course development.
- Develop advice for TDA National Board on feasibility of the approach.
- Consider wider application of the approach in terms of new offerings such as for international delivery or emerging areas for teaching and learning.

### ***National Enrolled Nursing Advisory***

Led by Holmesglen Institute in Victoria it consists of representatives from all states and territories focused on the professional practice of enrolled nursing. It seeks to:

- Represent TAFEs in all state and territories, which offer enrolled nursing programs.
- Represent enrolled nurses and providing strategic insights and advice to both regulatory and core nursing and midwifery organisations on relevant policy and strategy matters relating to enrolled nurses.
- Lead and represent those who provide education to enrolled nurses and promoting the public image of enrolled nursing.

### ***Australian TAFE International Network***

The Network consists of representative from each state and territory, with Victoria being represented by the Victorian TAFE Association. Austrade are an honorary member of the Network. The Network seeks to:

- Share information and exchanges on international activities, both onshore and offshore.
- Provide a platform for engagement with government officials and for advocacy of TAFE positions.
- Share international market updates, circulating business opportunities, and promoting cooperation within the Network.
- Position through advocacy and policy development for a strong international element to TAFE operations – for students to Australia or delivery overseas.

### ***Australian TAFE HEP Network***

Convened by TAFE NSW, the network represents the six dual sector TDA members and the nine TDA TAFE members that are both VET and Non-University Higher Education Providers. The Network seeks to:

- Advance higher education opportunities for students who think a traditional academic pathway is not for them, and a degree is not accessible for them.
- Advance the ability of TDA member TAFEs and dual sector universities to provide, including through promotion, higher education degrees in a TAFE setting, to create greater opportunities for traditional VET students to expand their educational aspirations and career ambitions.