

Student entitlement models in Australia's national training system: expert views

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Australian Government
Department of Education and Training



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About the research

Student entitlement models in Australia's national training system: expert views

Kaye Bowman and Suzy McKenna, Kaye Bowman Consulting

This occasional paper provides the views of 17 'thought leaders' in the Australian vocational education and training (VET) sector. Their insight and opinions were sought to inform a larger research project focused on the student entitlement reforms that were introduced into the national VET system from 2012. A particular emphasis has been on the implications of the reforms and the challenges faced in its implementation in the context of achieving a balance between national consistency and jurisdictional flexibility.

The interviewees considered key elements of the national training system, namely: standards for VET products (training packages and materials); standards for VET providers; and a flexible training market. The interviewees commented on the consistency and flexibility sought in each of these key elements, highlighting where tensions exist, particularly in student training entitlements.

Key messages

- The views of experts highlight differing observations and opinions, yet also some unifying themes.
- Both consistency *and* flexibility are required in the national training system, with both balanced effectively to achieve meaningful outcomes at the national and jurisdictional levels.
- The distinct requirements and approaches of each of the jurisdictions have resulted in eight distinct training entitlement schemes being established. This has contributed to perceptions of fragmentation rather than these various approaches being received as 'flexibility' in the national VET system.
- Balancing local and national skills priorities is difficult and a perennial source of tension within the national training system. The entitlement system may not currently address whether and how a student could undertake courses in which there is a national but no local skill shortage.
- The eligibility criteria for the student training entitlement could have a greater level of consistency across the various training entitlement schemes. This would assist in meeting equity goals and provide increased functionality in the national training system.
- Prices, subsidies and fees have always been different across jurisdictions and even within jurisdictions, for good local reasons. Under any entitlement system, however, the subsidy level combined with the student fee needs to provide sufficient resources to allow for measurable quality in training.
- High-quality training experiences and outcomes is paramount to all aspects of entitlement schemes. National standards for registered training organisations (RTOs) and training products must be applied and continuously improved to be fit for purpose in a more marketised training environment.
- Adequate information for consumers about quality in VET and what to look for when choosing a suitable course or provider remains an important requirement in the national VET system.

Readers may be interested in two related reports *The development of Australia's national training system: a dynamic tension between consistency and flexibility* and *Jurisdictional approaches to student training entitlements: commonalities and differences*. These are available from the NCVET Portal <<http://www.ncver.edu.au>>, along with a research summary titled *Balancing consistency and flexibility in student training entitlements: research overview*.

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John Hart

Megan Kirchner and Blye Decker

Peter Noonan

Craig Robertson and Peta Furnell

Chris Robinson

Robin Ryan

Anne Younger and Michael Taylor

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Introduction

This occasional paper is a synthesis of the views of 17 people with a long involvement in the Australian vocational education and training (VET) system. These individuals offered a variety of senior-level vantage points on the topics of:

- Australia's national training system: why it has been developed, what its key elements are, and the aspects where consistency has been sought and the aspects where flexibility has been sought.
- VET student training entitlements: why this initiative has been introduced and the implications of the agreed flexibility in approach to its implementation by jurisdictions, in terms of maintaining a functional national training system.
- the implications of the VET student entitlement initiative for future national VET reform.

These views aided our consideration of the implications for the fundamental principles of the national training system of the jurisdictional approaches to VET entitlement funding, including the associated provider quality standards.

Method

We invited 14 people with a long-term involvement in the national training system to be interviewed. We used our own knowledge of VET and the advice of the National Centre for Vocational Education Research (NCVER) to identify potential interviewees. The invitees included past and present senior-level VET policy-makers and advisors to state/territory and Commonwealth governments, peak VET provider bodies (TAFE Directors Australia, the Australian Council for Private Education and Training and Enterprise RTO Association), peak industry bodies (the Australian Chamber of Commerce and Industry, Business Council of Australia, Australian Industry Group and the Australian Education Union) and peak VET regulation organisations, as well as prominent VET researchers and public commentators.

On the basis of the protocol (see appendix A) sent to them, all those invited agreed to be participants, along with a colleague in some cases, bringing the number of people interviewed to 17. Informed consent was secured from all participants prior to interview. Those interviewed were: Stephen Bolton, Gerald Burke, Rod Camm, Pam Caven, John Churchill, John Dawkins, Pat Forward, John Hart, Megan Kirchner with Blye Decker, Peter Noonan, Craig Robertson with Peta Furnell, Chris Robinson, Robin Ryan, and Anne Younger with Michael Taylor.

The authors conducted the guided conversations using a set of questions given in appendix B. The interviewees were provided with the student training entitlement reform agreement contained in the 2012 National Partnership Agreement on Skills Reform and a list of the full set of key reforms agreed in the 2012 agreement. The interview questions were developed in light of our findings from:

- a literature review tracing the development of the Australia's national training system: its goals, objectives and key elements, and how the key elements have been developed over time through various reform initiatives (Bowman & McKenna 2016a)

- a point-in-time mapping (as at the end of March 2015) of each jurisdiction's student entitlement scheme, with the purpose of analysing commonalities and differences and considering their materiality in terms of maintaining a national VET system (Bowman & McKenna 2016b).

The set of interview questions were sent in advance to the interviewees. The semi-structured interviews each took between 45 and 90 minutes and, with consent, were audio-taped so that the conversations could be revisited to ensure all points made were captured. The interviews were conducted between 24 April and 24 May 2015, face to face in about half the cases and by telephone for the other half.

Report structure

The organising framework for this report is the set of interview questions. For each question we have attempted to present the full range of views provided by the interviewees. In accordance with the project protocol, we do not identify which expert made which statement. The first section presents the views of the VET experts on the national training system, followed by comments on the student training entitlement. Then we present the interviewees' views on the 'where to from here' question about implications for the student training entitlement and national VET reform.



The national training system

With regard to the national training system, the 17 interviewees were asked for their perspectives on:

- why the national training system has been developed
- what its key elements are
- where in the key elements consistency and flexibility has been sought
- what tensions currently exist between consistency and flexibility (for details see interview guide questions in appendix B).

Why Australia has developed a national training system

In basic terms, as one interviewee put it:

The aim was to address the problem that a plumber in Albury could not go and do a job in Wodonga. It was seen as nonsensical to have VET qualifications attained in New South Wales not recognised in Victoria.

Two other more explanatory answers were:

A national perspective on VET was required as Australia is a small country, population wise, that needs to be more competitive. Industries working across state boundaries and more people working across boundaries were the reasons for the development of the national training system, and these reasons are as important today as in the 1990s, indeed, increasingly important today.

We have a national employment market and employers need to understand what skills they are getting from VET. We need quality and consistently skilled workers to fuel economic growth. From the mid to late 1980s the aim was to ensure VET qualifications were of quality to employers, that they had currency with employers in that they met their needs. This was summed up in the slogan 'an industry led' training system, to assure the currency of VET qualifications for employers and the employability of individuals with VET qualifications across the nation. There was also a belief we needed more people skilled – to increase both participation in VET and industry productivity. There were occupational areas that needed to be legitimated for skills development/occupational areas not previously recognised in VET. Now these are seen to be legitimate areas.

The 'industry led' focus was reflected in another interviewee's response:

The development of the national training system was essentially about meeting the needs of businesses, for VET to produce the skills that match employers' needs and so that employers would accept employees with these skills. There was no other reason.

Background and context

A few of the interviewees reminded us that the notion of introducing more consistency across the state-based VET systems started prior to 1992, the year when all nine Australian governments took the landmark decision to work together towards a nationally coordinated approach to VET. One interviewee noted that after the Second World War a group had

started to look at the consistency in vocational education and training but their efforts then dissipated. It was next tackled in the early 1980s. By then:

The notion that the state-based TAFE systems' different 'trains, tracks and gauges' created barriers rather than flexibility resonated with some of the then TAFE Directors who took baby steps towards consistency through the development of national curricula in the 1980s.

Another interviewee filled in the gap to the 1980s, pointing to the Committee on the Future of Tertiary Education report of 1964 as the genesis of the VET sector, nationally. While focused on making recommendations on tertiary education (defined as diploma level and above and sometimes interchanged with the term 'higher education'), this committee's report, known as the Martin Report, did note the critical importance of a strong schooling sector and the continuing relevance of non-tertiary level (certificate-level) vocational education and training. However, it was not until the 1980s, when the baby boom was over, the economy weaker and youth unemployment high that the training sector became a focus nationally and 'skills for the workplace became a more immediate goal for VET'.

New impetus in the 1980s

Several interviewees nominated increased globalisation and international competition as the impetus for the renewed national interest in VET from the late 1980s. One pointed to the Australian Council of Trade Unions and Trade Development Council report of 1987, *Australia reconstructed*, as being the time when Australia realised that VET was a crucial piece of the national armour to protect Australia's economic competitiveness and social cohesion.

Another interviewee mentioned that the 1990 Deveson report on the training costs of award restructuring had prompted Commonwealth Government intervention in vocational education and training, as an adjunct to industrial relations and immigration policies. The Commonwealth interest focused on having a common skills currency for wage rates and careers progression. For example, the C10 award pay rate introduced into the metal trades industry created a nexus between the C10 wage classification and certificate III level qualifications.¹

Probably it was a combination of these and other reports of the time (see Bowman & McKenna 2016a) that led to the underlying belief, as expressed by another interviewee that:

Australia needed the ability to meet skills demand across the country and allow for all Australians to have the opportunity to get skills outside of the school and university systems to improve our competitiveness in a globalised economy ... More importantly, if we undervalue VET, we will abrogate our responsibility as a nation to maximise

¹ As Buchanan et al. (2010, p.36) explain: 'During the "award restructuring" era of the late 1980s, where formal demarcations were broken down, the trades-level worker remained a key reference point for wage setting. Trades workers were defined both by the work they performed and the qualifications they were required to hold in order to do the work. Metal trades workers shifted from being defined on the basis of particular crafts or vocations (for example, pattern maker, fitter, boiler maker), to being defined as equivalent to the C10 classification in the Metal Industries Award (and its subsequent incarnations). This level represents the minimum wage for a tradesperson [Healy 2010]. A central feature of such workers is that they would hold certificate III level qualifications. In this way award restructuring of the 1980s fused the management of relativities in the wages setting and qualifications systems'.

people's potential to have good and rewarding jobs and the capacity to take up new ones over the course of their lifetime.

One interviewee noted that these dual outcomes sought from vocational education and training were only fully articulated later, in the Australian Qualifications Framework (AQF). This interviewee maintained that:

We need to see all in VET through the prism of the student, not industry, but in so doing we do need to take workforce needs into account. VET is about achieving enduring benefits for individuals but importantly in the context of the contemporary workplace.

A few interviewees mentioned the development of a training market as another key end goal of the national training system, although for most, the training market was seen as an operational element, a means to the end goal of having nationally portable VET qualifications that have currency with industry.

The key elements of the national training system

There was general agreement that the key elements of the national training system include standard setting for VET products and VET providers, and a training market:

- *Standards for VET products (training packages and materials):* that specify the skills, knowledge and attributes industry requires VET graduates to have.
 - Some interviewees linked this element to the Australian Qualifications Framework. They added that the AQF provides a platform for mutual recognition of VET qualifications across the nation and for further tertiary study, as well as employment outcomes.
- *A regulatory framework or standards:* that VET providers need to meet to enter the VET market and deliver the results defined in the training packages.
 - Several noted that these standards are now administered in most instances by the national VET regulator, the Australian Skills Quality Authority (ASQA), and that this was a major step forward in terms of achieving a nationally consistent approach to assuring VET quality.
- *A national training market*
 - Most interviewees saw the introduction of a training market as a significant element in developing the national training system. They noted there was a clear intent in 1992 to open the VET sector to providers beyond the then mainly public TAFE (technical and further education) institutions. As one interviewee added, 'the concept of a student entitlement is a newer part of the training market development element that all governments have signed up to'.

Consistency and flexibility

The interviewees explained how the key elements of the national training system were expected to work in terms of consistency and flexibility, noting there are tensions between these two principles. As one interviewee claimed, 'there are some loose ends in practice'. Several interviewees suggested the need for continuous improvement in each of the key elements.

National training packages

All interviewees viewed training packages as the key element of the national training system. This was expressed variously as training packages being the 'centrepiece', 'the bread and butter' or 'the core'.

Where consistency is sought

All agreed that the purpose of training packages was to ensure that VET qualifications were based on industry standards. They noted that a competency-based (or outcomes) approach was introduced into the VET sector in the late 1980s and incorporated into the training packages. Industry was given the job of articulating the competencies to be achieved, in terms of the skills, knowledge and attributes required in actual jobs. There was to be consistency in the outputs of vocational education and training, the competencies achieved.

Where flexibility is sought

Several interviewees quickly added that flexibility, too, was intended for the training packages, in terms of particular outputs which could be tailored for individual businesses. The experts explained there was also to be room for some mixing and matching of units of competence that added up to a qualification, to enable customisation. The modularity of the qualifications allowed for the development of skill sets or less-than-full qualifications in accordance with quality standards. Further, it had remained possible for accredited courses to be developed to fill gaps in training packages and to aid innovation.

Most of the interviewees mentioned perspectives of the individuals and the providers. Delivery of vocational education and training was flexible. VET providers could use various teaching and learning methods to achieve the specified competencies in the training packages. This flexibility allowed for customisation to different learner types. Also the scope of the flexibility for individuals extended to attaining training package-defined competencies through non-formal or informal learning and then having these competencies assessed through a process of recognition of prior learning (RPL).

Tensions between consistency and flexibility in practice

The interviewees raised several ongoing tensions between consistency and flexibility with regard to training packages. Issues raised by some or all included the following.

- National portability of VET qualifications has been achieved but inconsistent occupational licensing across the jurisdictions undermines the portability anticipated and creates inflexibilities.
- In a desire to have them reflect the standards of workplaces, industry has made training packages too large and complex, with competencies often defined too narrowly. There are two sorts of skills: generic transferrable skills and also specific enterprise skills. These are not recognised well in training packages. Influential industry organisations have gone too far in ensuring their specific needs are identified in training packages.
 - We need to review the definition of competence. We need to pare back training package details. We need to look at the approach taken in New Zealand, where they have a much more high-level way of conceptualising industry standards compared with our detailed approach. Also we need to *ensure* that training packages are not changed too often as this is an administrative impost for VET providers. Furthermore,

there are still issues regarding obtaining skill sets training as opposed to full qualifications training.

- The average student/employer should know what is in a training package and be able to put together and customise a training program. At the moment, training packages are difficult to understand. The current review of training packages has not solved the fundamental problem: the need for plain English and clarity about what competency units are and what combinations are required to get a qualification. This is a major issue of information asymmetry.
- From an industry focus, the flexibility in training packages is not used fully or effectively by VET providers. We have reached the point where most registered training organisations are unwilling to apply any flexibility. They use their own interpretation of qualifications and do not understand the need for contextualisation and how to adapt to meet local business needs. Educators/providers have been on the outer in the development of training packages. From the 1990s onwards, the role assigned to providers has been to interpret the standards, work out how to deliver and assess the standards and deal with 'code' regulation auditors, who use a tick or cross approach. Educators ought to be involved at an earlier stage in the training package development and review process and not just at the point of delivery. We need to enable providers to better understand and customise training packages.
- There can be large inconsistencies in the learning durations assigned to qualifications at the same level within the training packages. This needs to be addressed.

National provider standards

VET providers must meet the standards to be registered training organisations and operate in the accredited or recognised national training market.

Where consistency is sought

The provider standards aim to achieve a consistent minimum quality of training delivery to the outcomes specified in training packages (and complementary nationally recognised accredited courses).

Where flexibility is sought

The interviewees noted there is room for providers to go beyond the minimum national provider standards and differentiate themselves in the market in terms of quality.

Tensions between consistency and flexibility in practice

Some of the interviewees queried whether the provider standards were robust enough for a more user-driven training market. They also queried the suitability of the standards for achieving quality outcomes as opposed to quality inputs and processes. One person said that funding agreements must incorporate the standards and not trump the standards: 'We cannot have consistency if the national provider standards or training package standards are not adhered to within VET funding agreements'. (These issues are revisited and examined further in the next section on the experts' views on the student entitlement funding arrangements.)

Training market

Most interviewees saw the training market as a particularly flexible element of the national training system. In the words of one interviewee:

The training market element was and is about flexibility regarding which providers are in the market as a means of increasing efficiency and what VET activities are delivered to ensure the right mix of skills are achieved.

Where flexibility is sought

The flexibility focus of the training market element, as opposed to the consistency focus of the standards elements, was emphasised in interviews:

Funding in the training market has always been state-based. Go back 25 years – the then public providers were funded by the states and at different funding rates per hour. Then competitive and more demand-based funding mechanisms grew, for example user choice ... then with student entitlement. But how much each funding mechanism has been used and the degree of public vs private provider involvement have been handled differently by the states

There was and remains varying levels of enthusiasm among the states and territories for using competitive funding arrangements to develop a national training market.

One interviewee queried the need to develop a training market. In so doing, they revealed the ideological tensions that have coloured the introduction of competition into the system. This interviewee did not see the public TAFE system as being unresponsive in the first place, so there was not a problem to be fixed or overcome by introducing competitive funding arrangements. This person suggested that a system based on market principles turned attention away from the purpose of vocational education and training, which was to educate students in the context of contemporary workplaces and society. They asked:

Why should VET be handled differently to schools who are not allowed to operate for a profit? Why have governments allocated VET funds to for-profit providers when education should be the key goal, not profit? There has not been sufficient public debate about for-profit providers and their role in the training market and vis-à-vis public providers. This needs to happen and the market designed better with how much VET is to be provided through competitive processes cordoned off.

A few other interviewees also queried whether education in general and vocational education and training in particular was suited to marketisation, with one suggesting:

Education and training is a service area that does not lend itself easily to such considerations [marketisation], in part because price is not always the main or key indicator of choice and it is often difficult to accurately describe the market for such areas of human endeavour. It is important to proceed with caution when considering competition policy and market-oriented approaches in education and training.

Where consistency has been sought

The interviewees reiterated that the standards for VET products and providers aimed to enable a training market to develop with the quality of VET training materials and providers assured. While there may have been pushes for more consistency in training market arrangements, it is accepted that how government money in VET is spent is a state prerogative, with Commonwealth contributions used to encourage agreement on high-level

national priorities only and with no involvement in the details of funding arrangements. A few of the interviewees did suggest there was an understanding that the states would maintain and increase the funding of their respective VET systems. This had not happened. State expenditure on VET has varied considerably. Over the past ten years, growth has occurred mainly in one state (Victoria), while others have averaged low, no or negative growth. The total amount of government funds available for vocational education and training has grown very slowly compared with that for schools and higher education. This is putting great pressure overall on the VET sector.

Tensions between consistency and flexibility in practice

The interviewees had mixed views on the level of flexibility in the training market. They queried whether there is a level playing field between the VET providers competing in the training market. They noted the ongoing tension on the nature of the role of the public provider as opposed to other providers in the training market. They offered specific views on the tensions between consistency and flexibility in the student training entitlement reform; these are described in the next section.

Table 1 Experts' views on consistency and flexibility in the national training system

Key element	Consistency required	Flexibility required	Current tensions
Training packages linked to AQF qualifications	Outcomes of training, the competencies attained, defined to workplace specifications	Delivery of outcomes: how they are achieved and enable customisation for individuals and enterprise	Training packages are too large and complex. They need paring back. Generic vs specific enterprise skills require clarification Attaining flexible delivery in practice
Provider (RTO) standards	Minimum for entry to the recognised, accredited training market, to deliver training package outcomes	State (public funding) funded training contract criteria can go beyond	Robust enough for more user driven training markets? Adequacy for public funding contractual arrangements?
Training market	Public funding supports national VET Agreement objectives Level playing field between providers for publicly funded training	Regarding public funding: - to obtain the right mix of skills needed - to contain VET places within budget	Regarding public funding: - course subsidies, fees and price differentials - extent public and private providers are involved.



The student training entitlement and its implementation

We asked the interviewees for their views on:

- why the student training entitlement initiative had been introduced
- the parameters through which flexibility in approach to the implementation of the student training entitlement initiative is possible by jurisdiction
- what they thought needed to be done to refine the student training entitlement, particularly in the context of safeguarding the national training system (see interview guide in appendix B)

All 17 interviewees were aware that the student training entitlement initiative was a flexible reform within the 2012–16 National Partnership Agreement on Skills Reform and contained many areas in which the states can make their own determinations. All were familiar with the earlier Victorian and South Australian schemes of 2009 to 2012. In some cases their perceptions were informed mainly by these schemes. Some interviewees had been involved in the discussions and design of the student training entitlement statement in the 2012 National Partnership Agreement on Skills Reform. Some had a greater depth of knowledge of how the initiative had been implemented since 2012. Some were working on aspects of student training entitlements.

Box 1 National Agreement on Student Training Entitlement (2012)

Preamble: All jurisdictions are committed to the introduction of a national entitlement to training. The flexibility in the essential criteria for the national training entitlement recognises that jurisdictions are at different starting points and have different reform destinations.

Essential Criteria: The national training entitlement will be an entitlement to access a government subsidised training place to a minimum of the first certificate III qualification, which: a) is accessible through any registered training organisation (RTO), public or private, which meets state-based criteria for access to the national training entitlement; and b) is available as a minimum to all working age Australians (from post-school to age pension age) without a certificate III or higher qualification, subject to meeting minimum entry requirements and state based criteria; and c) includes foundation skills or lower qualifications contained within the certificate III qualification.

The Essential Criteria above are the minimum acceptable. Jurisdictions are encouraged to go beyond the minimum required, where affordable, and may vary other criteria as set out below.

1. Eligibility: The minimum requirement is that the entitlement is available to all working age Australians who do not have a certificate III level qualification or higher. Jurisdictions have flexibility to go beyond the minimum, for example: to expand the entitlement beyond certificate III; or to make the entitlement available to people who already have a qualification at certificate III level or higher. Jurisdictions may also implement strategies to manage the uptake of the entitlement to balance supply and demand within their jurisdiction and budget constraints. Students must meet any eligibility criteria of the relevant Registered Training Organisation (RTO) to enrol in the course or institution of their choice.

2. Field of qualification: Consistent with the overall objective of the entitlement, jurisdictions may respond to jurisdictional priorities including by: determining which courses are subsidised; varying the subsidy levels; number of course places; and marketing particular courses strongly to potential students.

3. Facilitation of student choice: Jurisdictions will make efforts to ensure potential students have access to high quality information about courses and RTOs, to enable students to make informed choices about training.

4. Geographic locations. Where necessary, students may need to travel or re-locate within the state to take up a particular course, or study on-line or through a delivery mode other than face-to-face.

5. Cross-border issues: States may develop bilateral jurisdictional arrangements to facilitate cross-border access to the national training entitlement for a student residing in another state.

Source: Council of Australian Governments (2012).

A national student training entitlement

One interviewee suggested that it was hard to argue against a national commitment to a student training entitlement up to a first certificate III level qualification. It had been established that a certificate III was the minimum qualification needed for entry-level jobs in an economy competing across the globe. This interviewee explained the student training entitlement as 'aimed at ensuring individuals have the skills to enter the workforce and contribute to industry productivity'. It was also described as 'a mechanism for meeting the VET qualifications targets set by COAG and the Commonwealth Government to improve Australia's economic competitiveness'.²

A few interviewees pointed to the Bradley Review of 2008 as having been influential because it had recommended greater use of demand-driven approaches in tertiary education (including in higher-level VET qualifications) to achieve responsiveness and raise participation. 'The demand driven approach was the rage across governments at the time to give people choice', said one interviewee. Another added:

The idea was to increase student choice of provider and course. VET had the user choice funding model in place for apprenticeships and traineeships, and higher education had the HECS scheme that enabled all undergraduates to access degrees and pay later. The VET student training entitlement was an extension of user choice funding to cover all VET students without at least a first certificate III qualification and provide baseline entry qualifications for occupations for all Australians.

One interviewee queried why the student training entitlement was pitched at a certificate III level when there were many jobs available for which the entry qualification is a certificate II. Another noted that the student training entitlement was originally linked to a certificate II qualification for young people but that this had subsequently been changed to a certificate III level qualification. Most of the experts thought the entitlement was pitched correctly at the certificate III level, as this was 'where the rubber hits the road' in terms of workforce participation.

One interviewee made the point strongly that the original discussion on a student training entitlement was linked only to young people, as a continuation of a 'youth guarantee':

The original notion was to have a national guarantee to a training place to a certificate III level for young people as an access and equity measure to increase participation in post-school education overall and provide for good job outcomes for young people.

² These targets include those set for young people in 2006 that:

- from 2010 all young people up to 17 years of age must be participating in education, training or work or a combination of these
- by 2015, 90% of young people 20 to 24 years old to have achieved Year 12 or a certificate II or above, up from 74% in 2007
- by 2020, 90% of young people 20 to 24 years old to have achieved Year 12 or a certificate III or above (Council of Australian Governments 2006).

The targets also include those set for all Australians in the 2008 National Agreement for Skills and Workforce Development, which were:

- By 2020 halve the proportion of Australians 20 to 64 years without a certificate III level qualification
- By 2020 double the number of higher level VET diploma and advanced diploma completions (Council of Australian Governments 2008).

This interviewee pointed to the research of Richard Curtin on the history of student entitlements in education, which explains that it had always been about young people and ensuring a guaranteed place for them in post-secondary education (Curtin 2001). This interviewee had warned decision-makers that to do more was likely 'to cause pain' and put a strain on VET budgets if demand was higher than the supply of dollars. Notwithstanding, the decision taken in 2012 was that the student training entitlement up to a first certificate III would extend to all working-age Australians.

A few interviewees recalled the robust debate that took place among stakeholders on this point during negotiations on the 2012 National Partnership Agreement on Skills Reform. It was suggested that industry representatives had argued strongly for broader eligibility on the basis that there were 'a lot of structural changes in the economy, and a skilled workforce needs to evolve to fill new jobs'. The example was given of a retrenched worker with a certificate III who needed to reskill in another trade or industry:

Industry wanted this situation to be covered within the student training entitlement scheme, rather than through a separate labour structural adjustment type of program.

This argument was won. As one interviewee explained:

The student training entitlement scheme became a conflation of reskilling the existing workforce and an entitlement for the upcoming workforce. It became a training entitlement for the whole of the working population.

A minority view was that the VET student training entitlement was primarily agreed to so that the jurisdictions could access income-contingent loans (VET FEE-HELP). In order to reduce upfront costs and promote upskilling and the achievement of more higher-level VET qualifications, the Commonwealth had offered to make increasingly available VET FEE-HELP for eligible (Commonwealth-determined) diploma and advanced diploma VET students (Council of Australian Governments 2012). This would put higher-level VET on a more equal footing with diplomas offered in the higher education sector.

Another minority view was that, by linking training dollars to individuals, the VET student training entitlement provided an opportunity for governments to shift the costs of training further towards the individual. One person suggested the aim of the student training entitlement was to further sever public VET funding from public VET providers by attaching the dollars to individuals. Another expert was less direct, noting that the goals of the 2012 National Partnership Agreement on Skills Reform included improvement of the efficiency and competitiveness of public registered training organisations 'but that this parallel goal appeared to largely have been hot air', adding that 'the aspiration to ensure the viability of the TAFEs appears to have not been followed through in the way the VET student training entitlement has been implemented in some jurisdictions'.

An important point made by a couple of the interviewees was that a 'national' student training entitlement was never agreed to. There was no appetite at the time among the jurisdictions for establishing principles to guide this reform nationally. What was agreed was that a student training entitlement would be introduced to at least a first certificate III level qualification for those working-age Australians without one. Beyond this, it was up to the jurisdictions to decide implementation details. Calling the student training entitlement a 'national' student training entitlement was a misnomer. It was never to be national. To reinforce this, one interviewee noted that the term 'national' student training entitlement

was not used by the jurisdictions. They each had particular names for their student training entitlement, which, in many cases, was embedded in their own overarching funding models.

Flexible aspects of the student training entitlement

As box 1 illustrates there are many areas in which the jurisdictions could make their own determinations regarding the student training entitlement. We asked our interviewees for their views on each of these and whether they thought that this flexibility challenged the consistency required in a functioning national training system.

Who is eligible

The student training entitlement agreement of 2012–16 allows jurisdictions to extend the entitlement to the working-aged beyond the certificate III level and/or to make it available to people who already have a qualification at certificate III level or higher. Interviewees said this had led to confusion. Whether or not variability in student eligibility mattered attracted a range of responses, including:

A person eligible in one state and not in another means the student training entitlement is only 'nationalish' in nature rather than national. There are benefits if some things are the same, such as agreed and broad eligibility around the country.

It depends on what we are trying to achieve. Benefits should be the same around the country within broad eligibility criteria. If people move halfway through an entitlement course and cannot pick it up in another state and they are not entitled – this matters – it is a mobility barrier.

From the student perspective the variability is not an issue. VET students don't travel for training. It is irrelevant to them what is going on in training in another jurisdiction to where they live.

The main message from the interviews was that the eligibility criteria for the student training entitlement could be made more consistent. For example, a couple of the interviewees remarked that FEE-HELP criteria for higher education qualifications are nationally consistent. This would be useful to the functionality of the national training system.

Courses to which the entitlement applies

Another area in which jurisdictions can and have made their own decisions is in regard to the courses (by qualification level) that constitute their student training entitlements and are subsidised. The interviewees had different views on this flexibility.

A couple of interviewees had expected all courses up to a certificate IV would be fully or highly subsidised for those students eligible for the training entitlement. This is what the former Skills Australia had recommended in *Skills for prosperity: a roadmap for vocational education and training for prosperity* (Skills Australia 2011). This view was also based on the higher education model, where a student (with an income-contingent loan) can do whatever undergraduate course they choose at any FEE-HELP provider, subject to meeting course entrance requirements. The rationale is the benefit to the individual, society and the economy in completing any higher education qualification. Even if the graduate does not go into a related job, they will have transferable skills and knowledge. Another expert added to this notion by referring to an NCVET paper (Wibrow 2014), which showed that VET

graduates rated the skills they learned as relevant, even if they did not enter a job related to the course they had undertaken.

Another reason offered was that dictating the courses available (at least those up to certificate IV level) went against the objective of student choice:

This is against the original idea behind the entitlement; that the student decides what is best for them, and labour market forecasting is not that good re accuracy in any case.

To not offer full student choice of course is to assume that students don't have an idea about likely job prospects and don't make training choices on this basis.

Other interviewees were also critical of basing course lists on labour market needs modelling, claiming that the modelling techniques used (national or state-based) were not particularly accurate or useful. For example, one said:

The states have some processes in place to determine skills needs/shortages but they are not good at identifying the scale or quantity required.

Most interviewees understood that it was for public-value reasons that there was variability by jurisdiction in the courses or qualifications that were part of their student training entitlements. The aim of the student training entitlement was to upskill the Australian workforce to at least a certificate III level in areas where there were good job prospects. The jurisdictions had to consider value for the public dollars spent. One value lay in the students attaining a better job as a result of their entitlement training. Hence the jurisdictions favoured qualifications that met their particular skills needs. Several experts commented that the jurisdictions had always exercised a strong interest in meeting local skills demand. Some thought that there was no issue with this variability if the differences in the courses available were explained clearly, in terms of their relevance to national, jurisdictional or regional labour market requirements.

One interviewee was critical of a narrow focus on local skills needs:

The lack of a national skills purchasing policy inhibits meeting skills shortages in an overall way or a way that balances regional with national requirements. A bit more commonality could be achieved. The tendency is currently too strong towards the local and not the national labour market. The system has manifestly separated itself from any coherent thinking about the needs of the overall economy. This is illustrated in the current arrangements by which you can get this [course] in one state but not in another – on the basis of the argument that states have different economies. There are some differences maybe but there are also remarkably similar skills needs across the country. There is no science behind what courses are in or out.

Another interviewee observed that the domination of local skill shortages in decisions about course selection:

neglects qualifications that are needed in smaller amounts nationally, that are still very important ... Also, it is difficult for governments to identify which skills are of higher economic value compared to others.

All interviewees acknowledged that local versus national skills priorities was a hard balance to achieve and was a perennial source of tension within the national training system. There was some support for the notion that a student should be able to undertake courses under

entitlement schemes in which there was a national if not a local skill shortage. As one expert suggested:

In any one location, training should be for both pursuing a job elsewhere or locally. To not cover courses for which there are national skill shortages is to restrict labour mobility, a fundamental reason we have developed a national training system. Surely we can achieve more consistency in the courses element.

Countering this view was one interviewee who said:

We should not dictate to a state government on funding decisions. They are the primary funder, they should make the decisions. In any case it was never to be full student choice. It is about student choice within operating constraints, budget constraints. When states prioritise they do have the interests of their citizens at heart.

Entitlement course subsidies, student fees, prices and VET budgets

Other areas in which the jurisdictions can exercise flexibility regarding the student training entitlement are: the level of subsidies offered; the fees charged to the students; and the overall price for the delivery of a course/qualification that the provider receives. The interviewees recognised that the interplay between prices, fees and subsidies is complex. Many acknowledged they were not experts in this area. They noted that course subsidies, fees and prices have always been different across jurisdictions and even within jurisdictions.³ They did not see this as a major issue, *if the differences could be explained*.

What did concern our interviewees was poorly designed and/or implemented subsidies, fees and prices. Most mentioned the first iteration of the Victorian Training Guarantee (VTG), between July 2009 and January 2011, as an example of the unintended negative consequences of poor training market design and its implementation.

As is now well documented (Victorian Department of Education and Early Childhood Development 2012; Noonan et al. 2014; Victorian Government 2015), the first Victorian Training Guarantee scheme led to a rush of demand due to its broad student eligibility criteria (in essence, all working-age Victorians could upskill to the next qualification level), combined with uncapped numbers of training places for those eligible, and in any course and any registered training organisation. Student demand grew at an extraordinary rate in this fully open and contestable model and quickly outpaced the available budget before a correction was made. Also, there had been growing concerns about the quality of some of the training delivered under the first training guarantee. Some experts noted that perhaps much of the student demand for the first iteration was 'fuelled by providers'. There was aggressive provider enrolment behaviour. The 'honey pot' of VTG money attracted more providers (mainly private), some of whom did not aspire to the delivery of quality training. Many of the experts expressed strong concerns about the damage the first version of the guarantee had done to Victoria's VET reputation and to the public providers' viability.

All interviewees were aware that Victoria had since altered its student entitlement, as had South Australia, which followed Victoria into an expansive student entitlement model, with the Skills for All scheme from 2012. The frequency with which these jurisdictions' subsidy

³ A paper by Watson (2005) on TAFE student fees and charges confirms this.

levels and/or course availability were altered in order to keep within budget constraints was an issue raised by several interviewees. The disruptive effect of frequent and short-notice funding changes on providers' ability to plan and invest was seen as a problem.

All interviewees were aware that both Victoria⁴ and South Australia⁵ were still searching for the answer to how to get the best value for their significant investment in VET, as were all other jurisdictions since signing up to the student entitlement agreement. While all jurisdictions had taken heed of lessons from the earlier student entitlement schemes, as one expert put it: 'every jurisdiction has chosen their own adventure as to how the entitlement is constructed'.

The interviewees focused strongly on the use of variable subsidy levels to balance skills supply with demand and keep within overall VET budgets. It was noted that the highest subsidised courses were those deemed by the particular state (Victoria) to have most value in terms of meeting local skills needs and thus good job prospects for the students. One explained they thought this acceptable:

It is better to offer as full as possible choice of courses than not to. If the student chooses a low-level subsidised course so be it. If the quality is not high because the dollars available are low, so be it. The aim is to make training as open as possible, to give students as much choice as possible. If their choice is not a lot of benefit to the state then at least the student still gets something. It may be substandard but their choice has not been knocked out.

Another interviewee observed that:

Some students may be happy with low price and low quality training, if they are in training just for the piece of paper to meet a work compliance or employer need.

The counter view, held by most interviewees, was that quality of training should be key. The subsidy level, combined with the student fee, should be high enough to allow for efficient *quality* training. As one person said:

You need to fund the entitlement high enough for the quality you want and use design levers that don't compromise quality. This is the deep problem in the system. If policy rhetoric is giving entitlement to a product, then government needs to pay for it. If you say that the state is only making a partial contribution that's a different thing. [You are] better off saying you are not going to fund a course than to contribute only 20% of the cost and then not allow providers to charge a high enough fee to make up the difference and get poor quality training.

A few interviewees also argued that public dollars available for training should not be used for third-party brokerage and marketing services, 'that take away valuable dollars meant for training delivery – entitlement dollars are not meant to enrich all in the demand-to-supply chain'.

⁴ A VET funding review is underway in Victoria that is to inquire and report on, and make any necessary recommendations about, how to improve the quality, stability and sustainability of the Victorian training market by late 2015.

⁵ South Australia launched a new student entitlement funding arrangement from 1 July 2015 within its new Work Ready scheme.

Also raised was how entitlement funding linked with other VET funds available. Some interviewees noted that what happened with the first Victorian scheme was now occurring in the VET FEE-HELP loans arena. There had been unfettered and very high growth in VET FEE-HELP across Australia. Some students were being encouraged to take up significant VET FEE-HELP loans for unsuitable courses. Sometimes, as one expert suggested, this was occurring because the provider was not eligible to offer VTG entitlement funding (see below) and so they were encouraging students to take on higher-level VET qualifications where VET FEE-HELP loans were available.⁶

Some interviewees were particularly annoyed that TAFEs had lost so much market share in the early, expansive student entitlement schemes. They strongly believed that TAFEs required special funding for 'community support obligations' (CSOs). They pointed to the TAFEs becoming a political issue in recent state elections in Victoria, Queensland and Western Australia as evidence that the general public was also concerned. These experts considered that a sustainable TAFE sector was essential to the provision of vocational education and training. There was a need to understand the costs, constraints and obligations of TAFEs that relate to their status as public sector bodies and to fund community support obligations within entitlement models.

Selection of providers to deliver the entitlement

Under the National Partnership Agreement on Skills Reform 2012–16 jurisdictions determine the criteria for those providers eligible to hold a contract to deliver training entitlement courses. The interviewees accepted that a funding body should have the right to decide which providers it funded, but the following cautionary points were made. One explained that the designers of the first Victorian guarantee had decided not to create a second barrier for providers to access government VTG dollars beyond the then existing registered training organisation standards. They had assumed that these standards were robust enough. This turned out to be not the case. A stronger regulatory VET provider standards system would have prevented a great deal of the abuse of the Victorian VET system, which occurred under the original guarantee. This interviewee's additional requirements for provider participation in entitlement training would include:

- adding provisional entry for a time until proof of outcomes was obtained
- looking at the board membership of the registered training organisation, academic governance, and financial viability and insurance
- checking the facilities to be used
- greater monitoring of hours of delivery and numbers of students and, for a time, the student outcomes.

Several other interviewees also thought that the then Australian Quality Training Framework (AQTF) standards were not robust enough to support quality outcomes in the new 'marketised' environment. They also reminded us that the former Skills Australia in its 2011

⁶ The report of the Commonwealth Senate Inquiry, released in October 2015, recommended the government launch an immediate review into the operation and regulation of VET FEE-HELP. See http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/vocational/Final_Report.

Skills for prosperity report warned that national student or employer demand-based funding arrangements should be delayed until further quality reforms were in place. Skills Australia had recommended that the national quality provisions include implementation of mandatory external validation of providers' assessments, both on and off the job and that the national VET regulator, when in place, should advise governments on appropriate criteria that RTOs must meet to become eligible providers of publicly funded entitlement places. Neither of these quality measures has been introduced. Fresh standards for registered training organisations were not introduced until 2015.

Other interviewees focused on the role of the VET regulator vis-à-vis the contract manager. They were concerned that the national standards for providers were not undermined or reinterpreted by clauses in entitlement contracts. They wanted to see the right agency was doing the right type of auditing.

To quote one interviewee:

State training entitlement funding contracts should not have rules that contradict the key elements of the national training system i.e. training packages (products) and national provider standards ... [The] contracts should adhere to the set standards and, if any issues/shortcomings re the training packages and RTO standards arise, then these should be audited by the regulator not the contract auditors. All should follow the same national standards ... Auditors of state training entitlement funding contracts should focus on: did providers get student eligibility right, was the training delivery as on the list, and were activity levels against the funds provided and anticipated student outcomes achieved.

Other interviewees also mentioned the need for the regulators and funders (contract managers) to work effectively together. One suggested:

Regulators and contractors should work hand in hand. It must be recognised though that contract managers have an obligation to taxpayers. If they think dollars are not being used properly re quality then they must make a decision ... they cannot wait too long for the regulator to be available. There needs to be quick movement by contract managers.

Another countered:

Contract auditors are not the right people to deal with issues about RTO standards ... The approach now is for ASQA [Australian Skills Quality Authority] to work with the funders. If standards issues are found in the course of administering a training program then funders are encouraged to get ASQA in on the quality things – while states do contract compliance.

Others agreed that the registered training organisation standards remained a weak part of the national training system, specifically that they did not provide useful information by which students could make a good training choice.

Informed training choices

Under the National Partnership Agreement on Skills Reform 2012–16, jurisdictions are to facilitate student choice by ensuring that potential students can access high-quality information about courses and registered training organisations. This requirement was accompanied by a more general reform to improve transparency, by reporting

comprehensive information on VET activity, student outcomes and training organisation performance. Some experts reiterated that student choice within the training entitlement had not really happened, that state and territory governments were still in large part making the choices, and providers were influencing student choice, perhaps unhelpfully. Some thought this was partly because good consumer information was still not in place.⁷

All interviewees considered that information was fundamental to a consumer or student entitlement-led training system, but that this aspect of national training reform had not kept up with the rollout of the training entitlement. The following quote sums up what many interviewees told us:

In terms of quality this is the weakest part of system. It didn't matter much before when [it was] mostly TAFEs – people had a general understanding of the product, like uni, and whether it was good quality. Now there are 4500 providers and no one has a clue about quality in this larger dimension. Students google a course, look at who's got the course, then compare 'Trivago [or Trip Advisor] style', then go for the shortest time and the cheapest rate. All consumer information is leading people to pick the cheaper crappier course when they don't have other related information to make a good choice and go to the best provider or explore the job demand. It's just not good enough!

While several of the interviewees said that the information provided by jurisdictions was better now as a result of the implementation of entitlement schemes, they generally qualified that it still had a long way to go. To quote one interviewee:

It must be enhanced – prospective students need more than information about prices, fees and subsidies (on a government website). Students need information on how to pick a good provider from a bad one, especially if they have no knowledge of the sector.

Another said:

At the moment they [students] can't compare providers, they need granulated information down to the provider level.

One interviewee who had examined this area in some detail commented that state information lacked transparency, was confusing and complex. There was no consistency across jurisdictions' websites. This person added:

It's a disgrace compared to higher education where the FEE-HELP rules and subsidies etc. are clear and very easy to navigate. Victorian Gateway information is probably the best and goes to provider level. Queensland fee and subsidy information is the best. Queensland has different subsidies but at least you know what you are getting. The rest are appalling.

Another interviewee commented:

Consumer information is useless unless we can agree on what is quality. This has not been achieved.

⁷ The interviews took place prior to the enhancements to the national MySkills website in mid-July 2015.

Some interviewees suggested that the MySkills website was meant to be *the* source of information on which students make an informed choice. Others were less sure, suggesting that the roles and responsibilities for information provision were nebulous. On what MySkills should achieve, one interviewee said:

MySkills needs greater transparency, so that consumers have knowledge of any issues with an RTO and what type of issues, for example, if the RTO is under investigation by a regulator or a state funding contractor. Information about which RTOs are illustrating good practice in the market place would also be good. These are not currently an [Australian Skills Quality Authority] role, in fact it appears to be nobody's designated role at the moment. This information rarely makes it into the public domain unless there is a major VET scandal, as has been the case recently.

In short, most of our interviewees were concerned about the 'information asymmetry' that exists, where one party in a transaction, the provider, has more or superior information compared with another, the student. This is a potentially harmful situation because the provider could take advantage of the student's lack of knowledge.

Our interviewees gave the following suggestions about the objective consumer information (as opposed to marketing material) that VET students need:

- what the entitlement itself means to prevent students from 'burning their entitlement unknowingly'
- what demand exists in the labour market – the sectors where jobs' growth is expected at national, regional and local levels and what earnings can be expected in the various jobs
- training pathways to the available jobs and training course costs so that students can determine personal return on investment from their participation in training
- which VET providers run the best programs in terms of completion rates, job outcomes of graduates and graduate satisfaction with their training
- what to look for in a provider to help students to question the structure, content, duration and approach to training and what should be expected of a provider in terms of standards
- other independently verifiable provider performance information, for example, publicly available audit reports on providers
- perhaps a 'trip advisor model', in which students rate registered training organisations or perhaps courses, given there are differences by faculty, according to a series of questions.

One interviewee thought more consumer information would not solve anything, suggesting what would do more to improve the VET system would be to have potential VET students, especially younger ones, go through a training assessment and advice session with counsellors who were independent of training providers. Another improvement could be to have fewer providers, but of a higher quality, involved in the student entitlement system.



Student entitlement and national VET reform: where to next?

Interviewees were asked what they thought needed to be done to refine the student training entitlement model, particularly in the context of safeguarding the national training system. The following table summarises the views of the 17 interviewees involved in the 14 interview sessions.

Box 2 Where to next? Views of the interviewees

Interviewee 1: The states need flexibility in what they fund but they should adhere to the set standards for training products (training products, accredited courses etc.) and training providers (RTO standards) in their funding contracts. If they find an issue around quality to do with the standards this should be looked into by the standards regulators and the standards altered appropriately.

Interviewee 2: The design of the financial levers (subsidies, fees and prices) of all student training entitlements need to assure quality; that the training is delivered efficiently but to the quality standards. Also we still need a better means of assessing quality of training. This is a real weakness. Students need this information to make good training choices. Also we need robust place-based systems to identify local skills needs and what training is delivered at a location.

Interviewee 3: We need external validation of assessment to assure training quality. This should have been done before and to support the student entitlement approach. We need training funding arrangements more in sync and the financial levers being used properly to keep within budgets and not just to drive down quality. More total funds for VET are needed as well.

Interviewee 4: While all going on is in keeping with the 2012 agreement, we need to have another crack at the student entitlement. Surely we can have a more national approach to student eligibility and the courses available, and allow more student choice of training. This of course requires students having better information on how to pick a good provider and the right course for them. Also students need to understand entitlement funding versus VET FEE-HELP loans to aid informed student choice making.

Interviewee 5: I think course availability should be broad and the quantity required determined by place and local needs. The required quantity should then be used to determine caps. Caps should not be set through subsidy levels that affect quality of outcomes. I think cost structures of delivery for similar courses are not that different by geographic area and could be more uniform. Also, the 2015 RTO standards are moving in the right direction by shifting focus towards quality of outcomes rather than input.

Interviewee 6: I think we need more national consistency. The biggest threat is courses that are far too short, reduced in length to meet the available dollars, allow for a profit. We need the duration that the training should take stated in training packages. We also need good consumer information, which has not yet been achieved. The development of good consumer information in a consistent and independently verifiable way would do more to drive up training quality than either the regulatory body or funding arrangements.

Interviewee 7: We need to pinpoint where and for whom the student training entitlement is not working. There may be some consistent principles that could be used. The jurisdictions appear to be paying more attention to the VET standards setting process now as they realise it can help out with running their funding arrangements.

Interviewee 8: A decision needs to be taken nationally on whether we want a public provider and their role. The set subsidies, fees and prices need to ensure quality. Regulation in VET needs to be stronger to assure quality. Also auditors and educators require ongoing professional development to improve quality.

Interviewee 9: Everything is as it should be. All the variability in the student training entitlement is not an issue. We don't have a national student training entitlement but that was not the intention. The idea was for jurisdictions to tailor it to serve their own labour markets and circumstances. However, with hindsight I believe there should be a second barrier to entry for RTOs (beyond the RTO standards) to deter rogue RTOs not really intent on doing real quality training and other poor quality training providers. Also consumer market information, what students need to know about the VET system in order to purchase a quality qualification, is still a major issue.

Interviewee 10: For individuals to know what is good training is hard. We agree with choice of provider but there needs to be a better system of consumer information at a national level. It would be best if entitlement eligibility were national to avoid confusion and resentment – I can get it here and not there. Also regulation needs to be tougher – to have the 'right' touch rather than 'light' touch auditing. The bar for provider entry to the training entitlement market perhaps needs to be raised, via a probationary period and or more regular auditing of providers. Also the training entitlement needs to be funded properly to achieve quality outcomes and course subsidies, and associated fee levels should not change too often to aid strategic planning by providers.

Interviewee 11: The debate is all about training market design rather than any coherent thinking about vocational content to provide students with a quality educational experience in the context of contemporary workplaces and society. We still do not have evidence that educational markets work. We need to draw a line in the sand now. We need a re-think about how much training is done through a competitive process and cordon it off. We also need to mandate a minimum duration of training/learning for the various qualifications. At the moment the provider is funded on hours of training, on behalf of the student, yet there is no requirement on the provider to ensure the student gets the minimum hours.

Interviewee 12: If we are serious about a student entitlement in VET we should make sure there is a reasonable level of consistency. In my view the variability in the student entitlement system and the lack of clarity is a disgrace. At this point in time we need a fully independent review of the 'national training entitlement' by those with no DNA in VET but who understand education and training, and markets. We need to go back to first principles. More consistency of effort in areas of national skills shortages is needed. We need to consider tailored funding mechanisms for the existing workforce separate to new entrants and second-chance learners. We need a tighter, contractually manageable provider system with fewer larger quality VET providers involved rather than a pure competitive training market and with students, especially younger ones, going into an entitlement obliged to go through independent counselling to help them to choose the best training course and provider for them.

Interviewee 13: I think the available student training entitlement funding is generating fabricated student demand by the providers and this is skewing investment in training. The safeguards are not really there. Some enterprises are bowing out of government-funded VET for this reason and/or because they think the VET image is so tarnished they are reconsidering their association with it and issuing their own 'certificate'.

Interviewee 14: In terms of reviewing the national training entitlement, be careful not to throw the baby out with the bathwater. There has been a lot of good achieved that has been marred by the lack of regulatory underpinning in the early iterations. But the [Australian Skills Quality Authority] is now kicking goals and government agencies are withdrawing contracts — we are picking up on the quality issues. VET still has a good strong reputation among employers and students who see VET as the doorway to a job. The impact of confusing differences from jurisdiction to jurisdiction on national employers (and national RTOs providing to national or multistate employers) should be considered.

Synthesis of experts remarks

Our interviewees thought it timely to review the student training entitlement, as is planned for 2015–16 as part of the National Student Training Entitlement Agreement of 2012. The following is our synthesis of the experts' remarks about those aspects of the training entitlement reform that deserve attention, particularly in terms of the balance between flexibility and consistency in the national training system.

Defining the national training entitlement

An overarching observation was that there is no national training entitlement. That was not the intention. All states and territories have extended the entitlement beyond the minimum agreed to, as was encouraged. The extensions have contributed to perceptions of complexity and fragmentation rather than 'flexibility'.

The training entitlement system should be better defined and that definition be applied consistently across the nation. We need more national agreement on who the entitlement is for and how the training entitlement works and the various elements that support good-quality training and meet Australia's economic needs.

While the reforms are in keeping with the 2012 agreement, too much variation has been allowed. In particular, we need a more national approach to student eligibility.

We also need robust place-based systems to identify local skills needs and the training delivered at specific locations. While the states are focused on their own skill requirements, a national approach matters to national employers. The entitlement system needs to consider whether and how a student could undertake courses in which there is a national but no local skill shortage.

Standards

We need to maintain national consistency in the standards and the way in which they are regulated and applied. They should be robust enough for a more open training market to be established and trusted. The states should have flexibility in what they fund but should adhere to the set standards for training products and training providers in their funding

contracts. If they identify an issue associated with quality that is related to the standards, this should be investigated by the standards regulators and the standards improved appropriately.

Quality

Multiple goals are hard to meet within one reform policy. The entitlement reform strove to achieve access and equity and greater participation; assure quality; enable greater student choice and responsiveness to student demand; as well as obtain public value for the public dollars spent and more competitive yet efficient training provision. Quality should be the main driver in designing entitlement schemes, with the financial levers (subsidies, fees and prices) aiming to assure quality. Caps should not be set through subsidy levels that affect the quality of outcomes. More total funds for VET are needed as well.

We still need a better means of assessing the quality of training. This is a real weakness. Students need this information to make good training choices.

The biggest threat to quality is courses that are far too short, reduced in length to meet the available dollars and/or allow for a profit. Training packages should state the duration that the training should take.

Information

The development of good consumer information in a consistent and independently verifiable way could do more to drive up training quality than either the regulatory body or funding arrangements.



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Appendix A: Project statement provided to interviewees

About the project

Dr Kaye Bowman and Ms Suzy McKenna were awarded funding by the Australian Government Department of Industry through the National VET Research program – a competitive grant program – managed by NCVET to undertake a project in 2014–15.

The project is investigating flexibility versus consistency in the jurisdictional approaches taken to the introduction of a national (minimum) training entitlement and the associated provider quality standards in VET and the implications for sustaining a national training system.

We are seeking the views of ‘Experts on VET’ as a key input to the project. Our questions are overleaf.

Project protocols

The study is being conducted in accordance with the ethical guidelines of the Australian Vocational Education and Research Association (AVETRA) (<<http://avetra.org.au/wp-content/uploads/2011/09/Ethical-Considerations.pdf>>). This means all participants will be advised prior to interview on the purpose, process and outcomes of the research.

Please read the following which we seek your agreement on for you to take part in this research.

I understand that the purpose of the study is for research.

With regard to the interviews with VET experts I understand that they will be undertaken sensitively, and the information collected as it is included in research reports will be shown to participants to confirm it is accurate and the interpretation reasonable.

I have been informed that the confidentiality of my information will be maintained and safeguarded.

I understand that my participation is voluntary and that I am free to withdraw without prejudice at any time without giving any reason.

I have read and understood the Participant Interview Schedule and have had all questions I have in relation to the research study answered to my satisfaction.

I understand that the interview may be audiotaped. I will be informed if it is.

I agree to take part in this research study.



Appendix B: Interview guide questions

Thank you for agreeing to be interviewed. The following questions are designed as a guide to the interview.

1. On the development of a national training system

Q1.1 What do you understand are the reasons why Australia has developed and maintained a national training system over the past 20 or so years?

Q1.2 What do you think are the high-level aims or objectives of the Australian national training system

Q1.3 What do you think are the key elements or features of Australia's national training system?

Q1.4 Are there aspects of the national training system that you think need to be flexible? Why? How?

Q1.5 Do you think there are tensions at the moment between consistency and flexibility in Australia's national training system?, if yes what are they?

2. On the introduction of a national (minimum) training entitlement (see background details provided)

Q2.1 What do you know about the national (minimum) training entitlement?

Q2.2a What do you understand are the main objectives that the national training entitlement is addressing?

Q2.2b Can you put these objectives into a priority order (where 1 is top priority, 2 second priority etc.

Q2.3 In relation to each of the following elements of the national training entitlement, to what degree (or how) do you think the jurisdictional variability allowed in their implementation challenges the consistency required in a functional national training system? Please explain your answers

a) Who is eligible – i.e. jurisdictions can make the entitlement available to people who already have a qualification at certificate III level or higher if so desired;

b) The level of entitlement available – i.e. jurisdictions can expand the entitlement beyond at least the first certificate III qualification;

c) The courses (qualifications) the entitlement applies to – i.e. jurisdictions determine which courses are part of the entitlement, the number of course places, and the subsidy levels; and can manage the uptake of the entitlement and balance supply and demand within their budget constraints such as by marketing particular courses more strongly;

d) Which providers can deliver the entitlement – i.e. jurisdictions determine state-based criteria for providers and how cross-border access to the entitlement is facilitated for students.

e) How access to high quality information is achieved to allow students to make informed choices about training?

Q2.4 Considering the national training entitlement overall, do you think the way it is being implemented is affecting the functionality of the national training system? Please explain your answer.

3. On the implications of national training entitlement implementation for the national training system

Q3.1 What, if anything, do you think needs to be done regarding the national training entitlement to safeguard the national aspect of the training system?

4. Other

Q4.1. Are there any further comments you would like to make?

Thank you for the information you have provided for our study.

NVETR Program funding

The National Vocational Education and Training Research (NVETR) Program is coordinated and managed by NCVET on behalf of the Australian Government and state and territory governments. Funding is provided through the Department of Education and Training.

The NVETR Program is based on national research priorities and aims to improve policy and practice in the VET sector. The research effort itself is collaborative and requires strong relationships with the research community in Australia's universities and beyond. NCVET may also involve various stakeholders, including state and territory governments, industry and practitioners, to inform the commissioned research, and use a variety of mechanisms such as project roundtables and forums.

Research grants are awarded to organisations through a competitive process, in which NCVET does not participate. To ensure the quality and relevance of the research, projects are selected using an independent and transparent process and research reports are peer-reviewed.

From 2012 some of the NVETR Program funding was made available for research and policy advice to National Senior Officials of the then Standing Council for Tertiary Education, Skills and Employment (SCOTESE) Principal Committees. They were responsible for determining suitable and relevant research projects aligned to the immediate priority needs in support of the national VET reform agenda.

For further information about the program go to the NCVET Portal <<http://www.ncvet.edu.au>>.



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