



BALANCING CONSISTENCY AND FLEXIBILITY IN STUDENT TRAINING ENTITLEMENTS: RESEARCH OVERVIEW

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INTRODUCTION

This research overview summarises the work undertaken by Kaye Bowman and Suzy McKenna in exploring jurisdictional approaches to the implementation of student entitlements to vocational skills training, a key reform initiative in the National Partnership Agreement on Skills Reform (NPASR) of 2012–16. The overview is a condensed summary of three related papers, the first being a description of the recent evolution of a national training system, the second a detailed description and analysis on the manner in which student entitlements have been implemented by the states and territories, and, thirdly, the reflective opinions of informed experts on these issues. It highlights similarities and differences in the implementation of student entitlements and, pieced together, it examines the balance between the consistency of the national policy approach and practised jurisdictional flexibility, and the consequences for the longer-term objectives of the national training system.

These reports can be viewed at <www.ncver.edu.au>.

HIGHLIGHTS

- The 2012–16 National Partnership Agreement on Skills Reform included reforms to be implemented nationally and others to be implemented with jurisdictional flexibility, with outcomes intended to improve the accessibility, equity, transparency, quality, efficiency and responsiveness of training. A key flexible reform was an entitlement to government-subsidised training, capable of being delivered by all eligible training organisations, accompanied by complementary strategies to enable public providers to operate effectively in an environment of greater competition.
- Jurisdictions have implemented their student entitlement arrangement using different approaches to accommodate local skills needs and training systems. The flexibility allowed has given rise to eight distinct systems.
- The differences in entitlement arrangements as at 30 March 2015 are related to eligibility, the available courses, and the subsidy levels and loadings or concessions granted, and student fee levels. This has ensured complexity for students. Contracted providers have delivered student entitlement training of variable quality, and, in the worst extreme, so poor to be the subject of disputes impacting students.
- Observed learnings and policy adjustments across the jurisdictions suggest there is scope to consider greater national consistency in eligibility for access and equity reasons, and more coherent and transparent public-value tests in setting subsidy levels for quality reasons. More consumer knowledge of provider quality and student costs is also essential to inform student choice of training.
- The different approaches taken regarding the role and contribution of public providers in the shifting market structure have created additional tension in achieving the right balance between national consistency and needed flexibility across the national vocational education and training (VET) system.
- Overall, the original concept of a student ‘entitlement’ now sits in some contrast to what has evolved, this being several different ‘managed demand-driven systems’, needing to satisfy industry and jobs demand within constrained public budgets.

THE RESEARCH PROJECT

This project was commissioned to explore the approaches taken to the establishment of a student entitlement funding model by each jurisdiction.

Three discrete pieces of work have been completed:

- a review of the literature on the history of VET in Australia to re-establish the fundamentals of the national training system and where student entitlements fit (Bowman & McKenna 2016a).
- documentation of each jurisdiction's approach to student training entitlements and the associated provider quality standards as at the end of March 2015 and an analysis of the commonalities and differences (Bowman & McKenna 2016b).
- interviews with 17 thought leaders in VET from differing senior vantage points for their views on the national VET system and student training entitlements and the tensions between consistency and flexibility therein (Bowman & McKenna 2016c).

A national approach to VET was seen as needed to ensure Australia's competitiveness.

DEVELOPMENT OF A NATIONAL VET SYSTEM IN AUSTRALIA

In 1992 the decision was taken to create a national VET system through a cooperative federalist approach, wherein intergovernmental agreements were used to signify the commitment of all jurisdictions to the implementations of decisions reached or confirmed by the Council of Australian Governments (COAG). At that point in time, vocational education and training in Australia essentially comprised eight public TAFE (technical and further education) systems run by the various state and territory governments. A national approach to VET was seen as needed to ensure Australia's competitiveness.

The journey since has been notable for significant churn in national VET governance arrangements and advisory structures such as: the open/close of a national training authority and a skills advisory authority; different structures for ministerial councils; varying industry advisory arrangements; and differing bodies accrediting training products and regulators.

Nevertheless, this collective expertise has broadly pursued the same objectives and unifying principles for improving the national VET system. These are presently captured in the objectives and reforms specified in the National Skills and Workforce Development Agreement and the National Partnership Agreement on Skills Reform.

Measurable improvements in the national VET skills pool and in employment among graduates were, and remain, the end goals.

Long term goals of the national VET system

A 'national' VET system was framed to achieve portability of consistent high-quality VET skills in order to improve national productivity and Australia's competitiveness in the global economic marketplace. It recognised that a more mobile workforce was needed, meaning Australian firms could access and recruit from a nationally recognised skills pool. Of equal importance was creating equity of individual opportunity, participation and choice in vocational learning pathways. Measurable improvements in the national VET skills pool and in employment among graduates were, and remain, the end goals.

Strategic objectives

A set of six inter-related objectives have shaped and continue to drive the operation of the national VET system and are used to gauge performance. These include:

- responsiveness: to industry, individual and community needs so VET skills gained are used
- quality: in training delivery and learning outcomes
- equity: of access, participation and outcomes for individuals
- public value: by efficient pricing of government-funded VET and directing it to skilling for employment outcomes
- sustainability: shared investment by governments (where there is public value), enterprises (private value), and individuals (private value)
- transparency: so individuals and enterprises are able to understand and navigate the VET system and make informed training decisions (see Bowman & McKenna 2016a for details).

Essential strategic elements

National VET reforms have aimed to achieve three essential underpinning and enduring strategic elements. Operating together, each contributes to achieving optimal balance between consistency and flexibility in the national VET system:

- **national standards for VET products** (that is, training packages and accredited courses), aimed at achieving consistent quality training outcomes responsive to current and future jobs but with flexibility regarding how VET providers deliver the training products and individuals achieve their specific outcomes
- **national frameworks/standards for VET providers** (and registering agencies), to provide consistent thresholds for provider entry into the nationally recognised training market to assure quality delivery of training products but with flexibility to encourage registered training organisations (RTOs) to pursue even higher standards
- **a national training market** made up of registered providers, both public and private, to drive responsiveness and efficiency in training efforts, with flexibility in publicly funded vocational education and training to ensure public value (that is, the right mix of skills are achieved, which meet industry needs and assist VET graduates to obtain jobs or do further learning).

Figure 1 outlines the key reform initiatives undertaken to develop the three elements in a timeline.

National VET reforms have aimed to achieve three essential underpinning and enduring strategic elements and an optimal balance between consistency and flexibility in each element.



Figure 1 Timeline of key national reform initiatives undertaken to develop the national VET system, as linked to each of the three strategic elements

1992		1996		2000	2010	2015
PRODUCT STANDARDS		Australian Qualifications Framework (AQF)				
	Competency standards	Training packages (with regular improvements to meet industry needs); Training Package Development Handbook				2012 Standards/ policies for training packages
	Accredited courses – gradually decreasing in number and with greater industry focus					
	National register of accredited courses and, from 1996 onwards, training package qualifications					
PROVIDER STANDARDS	NFROT/ARF – a single framework for recognition of VET courses, providers (Registered training organisations (RTOs) and state registering and accrediting authorities/regulators)			Australian Quality Training Framework (AQTF) Standards for RTOs and state registering authorities		2015 Standards for RTOs and registering authorities
	National register of RTOs and the qualifications in their scope					
					2011 National VET regulator (ASQA) with Victoria and WA also maintaining state regulator	
TRAINING MARKET DEVELOPMENT (Publicly funded component)	Continuing from 1990s Profile of activity uncontestably funded via contract with public providers	Continuing from 1994 Portion of funding via competitive tendering	Continuing from 1997 Portion of funding via user choice for apprentices and trainees	Continuing from 2009 Portion of funding to enterprises via competitive tendering and first student entitlement schemes	Continuing from late 2012 Student entitlement to at least a first certificate III level nationally and student loans for diploma and above through VET FEE-HELP	
	Multiple roles of government separated – i.e. as VET provider, purchaser and regulator Quality assurance provided via the above two standard elements Improved consumer information on VET to support good decision-making Market design principles to support concerted action					

NFROT = National Framework for the Recognition of Training; ARF = Australian Recognition Framework

STUDENT TRAINING ENTITLEMENTS

Student ‘entitlements’ for training is a relatively recent reform within the national VET training market. The policy partly evolved from national responses developed during the Global Financial Crisis, which supported training in a stressed labour market, and gained impetus in agreements establishing a ‘demand driven’ system for higher education in response to the 2008 Bradley Review and recommended reforms (Bradley et al. 2008). The reform framework for student entitlements in VET was established in the National Partnership Agreement for Skills Reform of 2012–16 (Council of Australian Governments 2012, Clause 28(a) and Schedule 3).

What was the student training entitlement model aiming to achieve?

Implementation of the student training entitlement reform had two main nationally agreed purposes:

- **Access and equity**

Jurisdictions were required to introduce an entitlement to a subsidised government place to a minimum level of the first certificate III qualification for those working-aged Australians who do not have a qualification at this level. Certificate III is the lowest level of post-school qualification consistently demonstrated to have a positive impact on a person’s lifetime employment and earnings. In some industries, it is the minimum qualification needed for entry into jobs. Certificate III level qualifications and above are also those expected to grow the most to meet the predicted demand for skills for Australia to continue to compete globally whilst demand for lower level qualifications is predicted to fall.

- **Consumer choice in training**

Jurisdictions were required to allow students with a training entitlement to choose any RTO from among those approved by a jurisdiction to deliver their chosen course. This reflects the general direction taken to developing a training market through public funding arrangements – from supply-driven towards demand-driven arrangements to encourage efficiency, responsiveness and innovation among RTOs. Demand-driven arrangements include user choice within apprenticeships and traineeships, co-enterprise and public funding programs, and student choice with training entitlements. There is also greater choice and improved access for diploma-level VET students through the availability of income-contingent loans (VET FEE-HELP), which it was agreed would be implemented concurrently with training entitlements under the 2012–16 National Partnership Agreement for Skills Reform (see figure 1).

Certificate III is the lowest level of post-school qualification consistently demonstrated to have a positive impact on a person’s lifetime employment and earnings.

Australia's student training entitlement funding models are still dynamic.

Flexible elements of the student entitlement reform

Beyond the essential criteria above, the 2012–16 National Partnership Agreement on Skills Reform allowed for variability in the design and implementation of student training entitlements by each jurisdiction in relation to:

- *Eligibility*: to enable the entitlement to be expanded to more than a first certificate III and to include people who already have a qualification at certificate III level or higher
- *The courses the entitlement applies to*: to ensure public value
- *The subsidies, fees and prices of entitlement courses* and how budget control is achieved: to ensure flexibility
- *The criteria for RTOs*: to access entitlement funding
- *How access to information is achieved*: to allow students to make informed training choices.

This flexibility has led to different entitlements in each jurisdiction, with implications for some of the strategic objectives of the national training system.

When did jurisdictions implement student training entitlement models?

Student training entitlements were introduced progressively from 2009 (see table 1). Victoria and South Australia implemented student training entitlement models prior to the 2012–16 National Partnership Agreement on Skills Reform. Both states have refocused their implementation model on more than one occasion to address issues identified through monitoring of the models, including: budget overruns due to high demand linked to the broad student eligibility criteria; poor job outcomes in some instances due to uninformed student choice of training course and/or low-quality delivery; and sustainability issues for some public providers. The lessons learnt from the implementation of these early models have been taken into account by the other jurisdictions, which have also made adjustments to their models according to their own local experience. Australia's student training entitlement funding models are still dynamic.

Table 1 Jurisdictional student training entitlements by time of first implementation

Jurisdiction	Training entitlement implementation
Victoria	2009
South Australia	2012
Queensland	2013
Western Australia	2014
Tasmania	2014
Northern Territory	2014
Australian Capital Territory	2015
New South Wales	2015

Eligibility for a training entitlement differs across Australia.

Commonalities and differences in training entitlement models as at 30 March 2015

The details of the jurisdictional models in operation at the end of March 2015 were analysed and compared (for more detail see Bowman & McKenna 2016b). The following commonalities and differences were found:

- All jurisdictions had entitlements to at least a first certificate III for those of working age without a certificate III. All jurisdictions have gone beyond the minimum requirement but not in the same way (see table 2). Thus, eligibility for a training entitlement differs across Australia.
- All jurisdictions' entitlement models involved contestability among providers, but the extent of the contestability differs across the jurisdictions. How public providers are supported in the more contestable market also varies (see table 3).
- All jurisdictions determined the distribution of public funds for entitlements using skills forecasting and by applying the public-value principle. However, since the focus is on the skill needs of the economies within jurisdictional boundaries, the courses eligible for entitlement funding differ across Australia.
- All jurisdictions had their own set of subsidy levels, student fees and overall prices that applied to entitlement courses and measures to keep demand within budget constraints, with some notable differences in the degree of deregulation of fees and prices, as shown in table 4.

- All jurisdictions had processes for determining which providers may deliver their entitlement training. They all have entry-to-market or contractual arrangements to request additional evidence to demonstrate quality performance over and above the ‘minimum’ required in relation to particular criteria in the Standards for registered training organisations 2015. The detail of the contractual requirements can differ markedly.
- All jurisdictions had expanded the public information available on training entitlements, including the eligibility rules and subsidy levels available for eligible courses; the nature of the fee rules; and the approved providers. However, students need information on more than these issues to make an informed training choice.

Table 2 Entitlement eligibility by jurisdiction as at 30 March 2015

Jurisdiction	Entitlement eligibility¹
Victoria	Post-school students aged under 20 years are eligible for any entitlement qualification and those aged over 20 years for a qualification higher than the one already held but with a ‘two commencements at level in a lifetime’ restriction.
South Australia	Post-school students, regardless of age and previous education level, to a total of two entitlement courses.
Queensland	Post-school students who do not have a certificate III or higher and the entitlement applies to a first, and only one, certificate III.
Western Australia	Post-school students, regardless of age and previous education level, and to any number of entitlement courses.
Tasmania	Post-school students who do not hold a previous certificate IV or higher and for a first certificate III or higher.
Northern Territory	Post-school students, regardless of age and previous education level, and to one entitlement course at a time.
Australian Capital Territory	Post-school students, regardless of age and previous education level, and to one entitlement course at a time.
New South Wales	Post-school students not holding a previous certificate IV or higher and for a first certificate III, and a second certificate III or higher at a lower subsidy rate for those who already have a certificate III.

Note 1 The general citizenship criteria are similar; school students doing VET are also eligible in some jurisdictions.

Table 3 Extent of contestability in entitlements and how public providers are supported as at 30 March 2015

Jurisdiction	Contestability and public provider support
Victoria	The entitlement is embedded in a single contestable funding model, in which public providers receive special base funding and then compete on equal grounds with private providers.
South Australia	The entitlement is embedded in a new single contestable funding model, one that provides higher subsidies to public providers than to private providers.
Queensland	The entitlement is one discrete publicly subsidised program of several that complement each other within a new contestable funding model. Public providers receive special base funding and then compete on equal grounds with private providers.
Western Australia	The student entitlement is embedded in a new single overall contestable funding model, in which higher subsidies are paid to public providers than to private providers.
Tasmania	The entitlement is embedded in a new contestable entitlement program open to approved private providers only and is also obtainable through the public provider and the uncontested training appropriations it receives from the government.
Northern Territory	The entitlement is embedded in a new contestable entitlement program open to approved private providers only and is also obtainable through the public provider and the uncontested training appropriations it receives from the government.
Australian Capital Territory	The entitlement is embedded in a new contestable entitlement program open to approved private providers only and is also obtainable through the public provider and the uncontested training appropriations it receives from the government.
New South Wales	The entitlement is one discrete publicly subsidised program of several that complement each other within a new contestable funding model. NSW TAFEs still receive uncontested training appropriations.



Table 4 Treatment of subsidies, fees, prices and budget control in entitlements as at 30 March 2015

Jurisdiction	Subsidies	Fees	Prices	Budget control
Victoria	Variable — 5 bands	Fully deregulated	Variable	Subsidy adjustments
South Australia	Variable	Tuition fixed, discretionary variable	Partly variable	Capped places
Queensland	Variable — 4 levels	Fully deregulated	Variable	Non-issue so far
Western Australia	Variable	Tuition fixed, discretionary variable	Partly variable	Non-issue so far
Tasmania	Variable	Tuition fixed, discretionary variable	Partly variable	Capped places
Northern Territory	Fully subsidised	Tuition fixed, discretionary variable	Partly variable	Capped places
Australian Capital Territory	Variable 3 bands	Semi-deregulated	Variable	Capped places
New South Wales	Variable	Fixed	Fixed	Capped places



TRAINING ENTITLEMENTS AND NATIONAL VET SYSTEM OBJECTIVES

All jurisdictions have introduced student entitlements in accordance with the 2012–16 National Partnership Agreement on Skills Reform. However, the flexibility in the reform has led to eight different jurisdiction-based entitlement schemes. Some of the VET thought leaders interviewed in this research suggested that this has resulted in a fragmented national VET system that, rather than a system in which these differences demonstrate functional flexibility. They considered it timely to rethink jurisdictional approaches to student training entitlements and associated provider quality standards in terms of the national VET objectives, particularly with regard to achieving equity, quality, public provider sustainability and transparency (Bowman & McKenna 2016c), as described below.

In terms of equity, it would be useful if differences in student eligibility for training entitlement were reduced.

Access and equity

Student training entitlements are not consistent across jurisdictions. There are differences in who is eligible for an entitlement and the extent of the entitlement, which has led to differential treatment of students across Australia. In terms of equity, it would be useful to determine if, where, and for whom, differences in student eligibility for training entitlement matter. This may be particularly relevant at jurisdictional borders and among national employers. If significant inequities are found, adjustments to the entitlement models may be warranted.

Another option would be to restrict eligibility to an entitlement for all working-age Australians to a first certificate III only, thus providing a clear definition that fundamentally meets the equity goal. This would focus the entitlement on the upcoming workforce and second-chance learners without a first certificate III and therefore limit the government budgets required to fulfil the entitlement pledge. Any other additional publicly subsidised training for upskilling and reskilling could be funded separately and could include funding for a second certificate III and/or higher level qualifications.

Confining the entitlement to a first certificate III qualification for all working-age Australians who do not yet have such a qualification may also enable a broadening of the courses deemed eligible. Having all VET courses to certificate III level in the mix, or at least a broader selection, is more in line with ‘entitlements’ in higher education, where a student with an income-contingent loan can do whatever course they choose at any eligible provider, subject to meeting course entrance requirements. At the very least, adding those courses in which there is a national but no local skill shortage should be considered for equity as well as public-value reasons. To not cover these courses is to restrict labour mobility, a fundamental reason for the development of the national training system.

All jurisdictions have tightened RTO provider eligibility to deliver entitlement training.

Another potential source of inequity is the fact that subsidies and fees, and consequently the prices providers' receive for entitlement course differ across jurisdictions, and even within jurisdictions. While this has always been the case, where differences cannot be justified more consistency across the nation in subsidies, fees and prices for the same entitlement course should be possible, with loadings built in for non-metropolitan locations and disadvantaged students, as now occurs.

Quality

Assuring quality should be a dominant driver in designing all aspects of entitlement schemes. In particular, the subsidy level in combination with the student fee must be high enough to allow for efficient training delivery to the nationally agreed outcomes standards for VET products (as specified in training packages and accredited courses). This is currently not always the case. There are instances where a low subsidy level, when combined with a reasonable student fee, may not provide sufficient resources to ensure quality outcomes. Higher subsidies need to be applied to these entitlement courses to keep fees reasonable for those eligible – the least skilled. This also fits with the equity goal.

Strong oversight of the credentials and performance of RTOs delivering entitlements has also proven essential to ensuring quality. Hard lessons have been learnt in this regard from the early entitlement scheme in Victoria. Reliance on the then-existing RTO standards (the Australian Quality Training Framework, see figure 1) and the associated regulatory system proved not sufficiently robust. Some VET providers engaged in aggressive student enrolment behaviour, often via brokers, and provided limited or no training benefits to the students involved. Rectifying these practices and regaining public confidence in VET are proving challenging tasks.

The jurisdictions are now well positioned to inform 'fit for purpose' improvements to national standards for VET providers and training products. All jurisdictions have tightened RTO provider eligibility to deliver entitlement training. Their criteria are not the same but they are in keeping with the RTO standards of 2015, which have shifted the focus towards training outcomes. Innovations such as in the types of evidence that demonstrate provider performance could inform improvements to national standards for training providers.

Clear mechanisms are required through which effective jurisdictional practices for determining and managing risk and performance in their training markets can be identified and incorporated into the national standards and regulatory system. Standards for providers and training products, and the guides associated with them, should be continuously improved to ensure that the contractual requirements for evidence about quality are more consistent nationally.

Sustainability of the public provider

The differing models for implementing ‘entitlement reforms’ have coincided with parallel reforms to assist public providers to operate in an environment of greater competition.

It is broadly acknowledged that the public providers, given their history, ownership and expertise, do fulfil important public benefit roles. This has had to be incorporated appropriately into the design of contestable, yet equitable, funding models. The case for public providers to receive appropriate extra support is well made, but the policy approach to this has not been consistent nationally. Table 3 shows that the jurisdictions have gone about supporting the public provider in the increasing contestable public-funded training in three different ways. Greater consistency in funding model approaches to this may be achievable if this issue becomes part of the national discussion.

An observation to be drawn from the varying approaches and outcomes to entitlement reforms is that the picture is complex, presenting contrasting evidence of both success and failure of the policy. The successes are seen in students who commence and complete training through providers that operate according to high standards, and deliver training efficiently and hence realise greater value for the public subsidy.

The failures have exposed weaknesses in the market design and in anticipating the initial market response accurately; understanding an existing private fee-for-service market; managing quality/cost dynamics; and in responding to and managing restorative actions. These factors are all the more challenging when the available public funding is capped. From the providers’ perspective, both public and private, this has proven the fulcrum for much of the market disruption, more evident in some jurisdictions than others.

The case for public providers to receive appropriate extra support is well made but the policy approach to this has not been consistent nationally.

In the current environment there is 'information asymmetry', whereby the provider has more or superior information compared with the student.

Transparency and effective consumer information

More needs to be done to help students to understand entitlements and other government funding options, how to judge provider quality and what outcomes they can expect from training. In the current environment there is 'information asymmetry', whereby the provider has more or superior information compared with the student. This is a potentially harmful situation because a provider could take advantage of the student's lack of knowledge. More effort in this area to empower the student is required, perhaps building on the enhanced national MySkills website recently launched, which provides some, but not all, of the information required. Good consumer information could do as much to improve training quality as regulation standards or funding arrangements.

WHERE TO NEXT?

The experience from the implementation of student training entitlements indicates that a reassessment and reframing of national guiding principles would be useful, drawing on what has been learnt from the eight models, to support greater national cohesion and enhance public understanding of and participation in the initiative. These guiding principles could include:

- flexibility in the funding of training entitlements that focuses on ensuring public value and that the right mix of skills is produced to meet industry needs nationally, as well as locally, to assist graduates to obtain jobs and/or move into further learning
- a national public-value framework that would help to guide the design of the publicly funded training market, with indicative performance measures and risk management approaches included
- the acknowledgement of more consistency in the eligibility criteria and in the logic behind the allocation of subsidies for an entitlement to ensure public value and quality
- clearer definition and recognition of the role of public providers, and more consistent treatment of public providers in a competitive market environment
- more accessible and useful information being made publicly available. This would enable more informed student choice and greater responsiveness to student needs, particularly in regards to provider quality and students costs.

The design concept of a student 'entitlement' now sits in some contrast to what has evolved, this being a 'managed demand-driven system', one needing to satisfy industry requirements and constrained by public budgets.

This drives much of the tension in the process of achieving the right balance between consistency and flexibility in the national VET system.

The perspectives of the thought leaders interviewed for this research are valuable in providing ‘colour and context’, in that the various opinions offered and solutions proposed differ somewhat but all viewed quality training as the underlying concern.

Summary of the views of the interviewed thought leaders in VET

Interview 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.

Interview 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.

Interview 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.

Interview 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.

Interview 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 inputs.

Interview 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.

Interview 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.

A national public-value framework would help to guide the design of the publicly funded training market.

Interview 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.

Interview 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.

Interview 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.

Interview 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 rethink 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.

Interview 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 separately for 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.

Interview 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’.

Interview 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 [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.

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