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Review of the standards for the regulation of vocational education and training consultation paper

In response to the NSSC discussion paper, NCVER provides the attached comments on the National Standards for the regulation of VET, specifically data requirements incorporating the Quality Indicators for RTOs and Data Provision Requirements.

NCVER looks forward to further consultation on these topics. For further information please contact me or Sandra Pattison, General Manager Statistics.

Yours sincerely

Tom Karmel
Managing Director

enc. NCVER comments on the National Standards for the regulation of VET

NCVER comments on the National Standards for the Regulation of VET – July 2012

Name: National Centre for Vocational Education Research

Category: Ministerial Owned Company

Willing to participate in further consultation: Yes

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Introduction

The NCVER is restricting its comments to the standards for the regulation of VET as they relate to data.

We argue that regulation, and the data standards within it, must support a VET sector that meets the needs of individuals undertaking the training and the employers and governments who fund the training. Essentially, the VET sector needs to equip individuals with skills that are valued in the labour market.

This line of thinking implies that regulation needs to be more than compliance by providers to prescribed processes. Rather, it needs to be considered in the context of a well functioning training market in which the choices of individuals and employers, and the funding provided by the government, individuals and employers, ensure the effectiveness of the sector. It is argued that information at the system level and provider level on outcomes is crucial to the proper functioning of the training market. While such data will be invaluable to the national regulator as an aid to a risk based approach to regulation, it is indispensable to individuals and employers, and to governments, in ensuring that outcomes are worthwhile. Regulation needs to be based on both the powers of the regulator and the discipline of the market (driven by informed users) and the funding institutions.

The current data standards focus on data shared between the provider and the regulator and do not allow for the dissemination and publication data to assist the decision making of individuals, employers and governments. The functioning of the training market is seriously impeded by the current approach. Monitoring compliance at the process level is fine, but the regulatory framework would be substantially strengthened through a broader information approach underpinning the discipline of the market. Training which is ineffective or of little value would have difficulty surviving in an environment in which there is ample data publicly available.

Data to be collected

NVCER's view is that a range of data needs to be collected and made readily available.

The following list should be considered as a good starting point:

- data on training provision: where the training occurs, who the students are, what they are doing, when they did it and what they achieved.

- performance data: module pass rates, qualification completion rates, extent of recognition of prior learning.
- student satisfaction data: satisfaction with various aspects of training, whether students achieved the purpose of their training
- outcomes: employment, and its attributes such as hours worked, occupation, wages.

To achieve its purpose of facilitating the overall functioning of the labour market, it is important that the data are comprehensive (i.e. cover all providers), consistent (i.e. collected to a statistical standard) and accessible (i.e. consolidated in a national data base). As a point of principle data collections should impose the smallest burden on the training providers. this will be the surest way to achieve compliance.

Problems with the current AQTF data standards

The current standards do not satisfy these criteria. The current data provision requirements under the AQTF include the following as a condition for initial and continuing registration (there is a similar requirement under the legislation supporting the National VET Regulator):

The RTO must have a student records management system in place that has the capacity to provide the registering body with AVETMISS [the statistical standard for the provider collection] compliant data.

AVETMISS certainly provides an appropriate standard for the collection data about training provision. But having a student management system with the capacity to provide the national regulator with AVETMISS compliant data is of very little use unless the provider actually provides the data. In addition, the specification that the data are for the national VET regulator needs to be strengthened with a requirement to provide the data to a national data base (i.e. the national VET provider collection undertaken by NCVER). As argued above, an essential part of regulating the training market is to ensure that the consumers and purchasers have access to relevant data about the whole market and individual training providers.

A second issue relates to the current quality indicators for RTOs.

The current quality measures (competency completion, learner engagement, employer satisfaction) were originally intended to be outcome measures. After lengthy consideration by various working groups the outcome measures were weakened to become instead quality indicators – a continuous improvement tool for RTOs and risk assessment tool for regulators.

In a review of the quality indicators undertaken by NCVER for the NQC the main issues identified were

- the high cost of administering the surveys and the response burden;
- the lack of consistency and quality with the survey data;
- the inability to maintain and access national data for benchmarking and comparison purposes;
- the inability to build time series with the data; and
- the inability to provide contextual data to assist in interpretation.

NCVER's view is that the quality indicators need to be replaced by proper outcome measures suitable for broad use.

The way forward

First, the competency completion quality indicator should be subsumed within a broader national collection of students and courses. Outcome measures such as the competency completion rate, and qualification completion rates, can be derived from the students and courses collection under AVETMISS. Comprehensiveness would be achieved by specifying as mandatory the provision of data under AVETMISS to the national collection. Making full use of the national collection will also minimise response burden.

Second, student engagement/student satisfaction seem eminently sensible data items to collect as one aspect of the quality of the system. To address the requirements of comprehensiveness, consistency and accessibility an obvious way forward would be to extend the Student Outcome Survey, which is currently administered to a sample of students who have completed their training within the publicly funded sector. This would provide consistent and accessible data. For it to be comprehensive participation in the survey would need to be mandated for all RTOs, although sampling providers would contain costs and provide information on the functioning of the sector overall. An alternative decentralised online approach would be relatively inexpensive and also have the advantage of covering all providers. Such an approach would involve an online system that students access, with the cost to RTOs being the effort needed to get students to fill in the online questionnaire.

Third, the extension of the Student Outcome Survey to all RTOs would also provide data on the most important outcome, employment. This is not covered by the current quality indicators. While employers often make comment on the quality of training and graduates, what really counts is the value that the labour market places on the skills acquired from the training. High proportions of students employed (particularly of those previously not employed), and increased wages are among the best indicators of the value of the training.

Fourth, one of the quality indicators relates to employer satisfaction. This is problematic to collect for the simple reason that employers typically employ students from many RTOs and therefore it is quite difficult for an employer to assess the quality of training of particular RTOs. The NCVER does conduct a survey of employer satisfaction and use of VET but the questions relate to the whole sector, not individual RTOs. It would not be possible to extend this survey to cover individual RTOs. NCVER is therefore supportive of the current approach which asks individual RTOs to collect data to be shared with the regulator, but not impose a standard or centralised collection.

Summary

To sum up, NCVER's view is that the data standards for regulation need to be based on comprehensive, national, standards based collections that provide national data, at the provider level where appropriate, for consumers (individuals and employers) and funders or purchasers. At one level, such data will enable the regulator to scrutinise individual RTOs and apply risk management techniques to regulation. At a second level, the data will enable consumers and funders/ purchasers to apply their own discipline to the training market- a very effective form of regulation.

Specifically, two data collections provide the basis for moving forward. The first covers the data collected under AVETMISS in the national VET provider collection. The second is the Student Outcomes Survey that collects data from those who have completed their training on their experience of the training and employment afterwards. Attachment A gives more detail on relevant data items.

However, NCVER is not arguing that these two collections are all that is required. No doubt, the regulator will require some financial data on commercial viability which is not covered by the NCVER collections. In addition, one area that needs more investigation is the VET workforce. Teacher and training quality is a key quality issue, and information on staff and their qualifications would be helpful to both the regulators and consumers. NCVER is currently undertaking development of a data standard for the VET workforce and this could form the basis of any future data collection. Obviously, a VET workforce collection, whether an administrative collection of a sample, would be a substantial undertaking.

Attachment: Brief description of AVETMISS (students and courses) and the Student Outcome Survey

AVETMISS (students and courses)

The Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) comprises where the training occurs, who the students are, what they are doing, when they did it and what they achieved. A number of other essential elements (relating to the classification of data) in the provider collection can be collected from other sources such as training.gov.au or state training authorities.

To spell out the requirements in a little more detail, the information comprises:

- enrolments at the unit of competency level for each student: the provider identifier (where), student identifier (who), unit of competency and qualification identifier (what), unit start and end dates (when), and an outcome identifier (whether the competency was achieved or otherwise)
- qualification completions for each student: RTO identifier (where), the qualification (what), the student identifier (who), year program complete (when), and whether the student has received the qualification
- student information: student identifier (who), prior educational background (school level and other qualifications), sex, date of birth, Indigenous status and locality of residence (postcode and suburb). There are a number of other student demographics that are needed under the standard such as year completed school, language spoken at home if not English, labour force status, country of birth, disability status, and proficiency in English. However, these could be treated with leniency so that providers have ample time to change enrolment forms and business systems.

Student Outcome Survey

The Student Outcome Survey collects information on the outcomes of students who completed their vocational education and training (VET) in the previous year. The survey covers students who have completed a qualification (graduates) and those who have completed only part of a course and then left the VET system (module completers). The NCVER has conducted the survey annually since 1997.

The survey focuses on students' employment outcomes and satisfaction with VET in Australia, as well as the level and type of training students undertake. Further study patterns and reasons for not continuing with the training (where applicable) are also collected.

Specifically, the Student Outcomes Survey collects data on students':

- personal characteristics (such as Indigenous status, disability status, main language spoken at home, level of prior educational attainment)
- training characteristics (such as apprenticeship/traineeship status)
- recognition of prior experience and skills
- reason for undertaking the training

- employment characteristics before training (occupation in which employed (ANZSCO), industry of employer (ANZSIC), full-time/part-time employment status, if not working whether actively looking for work)
- employment characteristics after training (occupation in which employed (ANZSCO), industry of employer (ANZSIC), full-time/part-time employment status, salary, if not working whether actively looking for work, employed in first full-time job after training)
- further study activity
- benefits from undertaking the training
- opinions of the training (satisfaction with and relevance of the training, whether they would recommend the training and training provider to others)
- suggestions for improvement.

The data collected are supplemented with information from the National VET Provider Collection to reduce the burden on survey respondents. This includes information on students' personal characteristics (e.g. age, sex, location) and some information on their training (e.g. qualification and/or modules completed, training provider).