

Our Ref: 124727

6 August 2012

Attention: TVA RIS Submission

Department of Industry, Innovation, Science, Research and Tertiary Education
Attention: VET Transparency Reform Branch
GPO Box 9880
CANBERRA ACT 2601
Location: C16MT6

**Total VET Activity Data Collection Regulation Impact Statement
submission**

Please find attached NCVER's detailed response to the Regulatory Impact Statement for Total VET Activity.

NCVER fully supports the mandating of the provision of AVETMIS Standard data by all RTOs. This is outlined as option 3 in the Regulatory Impact Statement.

It is important that the data collected 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).

For any further information please contact me or Sandra Pattison, General Manager Statistics.

Yours sincerely



Tom Karmel
Managing Director

enc. NCVER comments on the RIS - Total VET Activity Data Collection

NCVER comments on the COAG Consultation Regulation Impact Statement: Total VET Activity Data Collection - July 2012

Mandating the provision of AVETMIS Standard data

NCVER fully supports the mandating of the provision of AVETMIS Standard data by all RTOs. This is outlined as option 3 in the Regulatory Impact Statement.

The following issues need to be addressed in the draft legislative tool which mandates data provision:

- It is important to specify that the provision of data needs to be submitted to NCVER to the national VET provider collection for national reporting purposes and not just for use by regulators. Otherwise, the benefits of mandating the provision of data in terms of information for consumers and policy development will be lost.
- The data standard needs to be complete for all RTOs (that is the entire standard to apply to all RTOs). Having a modified standard for some groups of RTOs would make implementation more complicated and would lead to large gaps in the evidence base for regulators and policy makers (noting that every effort has been made to make the standard as lean as possible).
- While full compliance with the standard is ideal, reaching this will take time. A staged approach to full compliance is recommended.
 - Compliance does not necessarily mean quality information is supplied. For example, an RTO would be compliant with the standard reporting the Indigenous status of all students as 'Not Known'. From our experience it can take two to three submissions to get the quality of data to a reasonable level.
 - A number of organisations (such as Surf Life Saving and the Department of Defence) will need to upgrade their human resources systems to become fully compliant and this will take some time (in the case of Defence this will not be until at least 2016).
- The data provision requirements should not be tied to a version of the standard. Otherwise the legislative tool will need to be amended each time a change to the standard occurs. Such changes are needed to keep the standard consistent with changes in the nature of education and training and the regulatory environment.
- It should be noted that the AVETMIS standard is currently being revised for 2014 activity. Changes that will be shortly put to Senior Officials for endorsement include:
 - The addition of a unique student identifier.
 - The addition of client residential address for geo-coding purposes, to support regional and socio-economic status measures of education and training participation.
 - The addition of a data element for skill set reporting.
 - Updating file structures including making the Commonwealth Specific program identifier a formal part of the standard (to capture specific funding such as the workforce development fund).
 - Adding a scope statement to the standard: The AVETMIS standard covers data from public and private training providers which offer vocational and education training to domestic and international students at onshore and offshore locations.

- Standard maintenance. For example, removal of the Statistical Local Area (SLA) from training organisation delivery location as this can be derived, eliminating unnecessary data validation rules, and simplifying element names.

Benefits of mandating of the provision of AVETMIS Standard data

There are two additional benefits for RTOs not currently listed in the RIS:

- *Archiving requirements:* The provision of data (with a unique student identifier) provides a full mechanism for RTOs to meet the condition of registration whereby they must retain client records of attainment of units of competency and qualifications for a period of 30 years. Any costs in an RTO purchasing and submitting AVETMISS data need to be offset by the current costs of RTOs archiving their attainment records.
- *Quality indicator:* Under the current quality standards and regulation, all RTOs are required to provide aggregated counts of unit and qualification enrolments and completions for the competency completion quality indicator. Those RTOs who provide data to the national VET collection do not need to submit any additional data to this aggregated collection. Any costs in an RTO purchasing and submitting AVETMISS data need to be offset by the current costs of RTOs submitting to the aggregated competency completion online system.

Cost to NCVER on the mandating of the provision of AVETMIS Standard data

The capturing of total VET activity is both on the work program of SCOTese and is reflected in the new national agreement and partnership arrangements.

The current data submission model has RTOs sending data to their State Training Authority (when in receipt of government funds) who then submit the data to NCVER (this was around 20 data submitters covering 2428 RTOs for 2011 activity).

If data submission is mandated then all fully fee-for-service RTOs would be required to submit data to NCVER (either through a state or territory or directly to NCVER). In 2011, 5236 RTOs had an active registration (noting not all would have delivered training). Of these 539 were new registrations (new registrations have remained consistently between 450 and 550 for a number of years).

The recent injections of funds by the Australian Government for NCVER infrastructure go a large way toward handling the anticipated additional data volume in the national VET data collection but further funds will be required to provide all the functionality needed to satisfy the expectations of all stakeholders. The redevelopment of the validation software, the building of a data entry tool for small RTOs, the rebuild of the collection databases and the implementation of the VET data portal combined will allow for increases in volume and automation of processes required in the mandating of data provision:

- The validation software has been moved to a web based application that will enable RTOs to directly submit data to NCVER (or continue with their current practices of submission to states and territories). The validation software is currently in pilot testing with a view to be rolled out by the end of 2012. Early feedback indicates capacity constraints will need to be addressed as more providers come on board.
- A data entry tool component is being built as an additional module to the validation software to enable very small RTOs to collate and submit their data without the need to purchase a student management system. This module is to be completed by the end of 2012, but will require ongoing maintenance and support.

- Replacement and redesign of the national databases, to be completed during 2013. The new database structures will allow automated submission of data (currently a manual process). The new system is also a building block for a national VET data portal. We will continually need to expand the systems and services provided to capture the increases in volume and demands for information. Server capacity, storage space and increased reporting requirements for the regulator and others will also need to be assessed once data provision is mandated.
- Development of a VET data portal as a gateway for data in and out of the national collections, to be completed during 2013. Again capacity constraints will need to be assessed with the increases in volume and demands for information.

The processing of information is only one aspect of the collection of the data. The other is the level of assistance required for providers to become AVETMISS compliant and submit data to the national collection. There will be costs to NCVER in providing the level of service required. To manage increases in volume of data and to support AVETMISS compliance two initiatives are mooted

- The creation of an e-based help desk covering call centre resources, an e-solution (educational materials, web helpdesk, and improved frequently asked questions to keep telephone and staffing costs contained), at a cost of \$180,000 to establish and \$320,000 per annum to staff and maintain.
- AVETMISS 'Self-Accreditation of Software Vendors' to support student management systems that provide AVETMISS compliant data. This would be self-funding in the longer term but requires \$140,000 seed funding and \$60,000 per annum for three years to maintain the self-accreditation system and manage relationships. The self accreditation program would provide software developers with the information they need to build compliant products, including test data and business rules, so that they are able to test their systems and provide a declaration of compliance.

Issues for further consideration with mandatory reporting

AVETMISS is not a static data standard. The development of future standards will have an impact on mandatory reporting.

Quarterly reporting

- Tied to the mandating of data collection is the frequency of collection. The collection is currently based on an annual cycle which is not going to meet the stated needs of Ministers for more timely data. To address this requirement, quarterly reporting on the VET provider collection has been written into the SCOTese work program. In addition, the transparency agenda contained in the new national partnerships requires more regular feedback on student numbers and completions.
- To accommodate quarterly reporting – the least cost solution to more timely data - NCVER would need to redesign its database structures and additional ongoing resources to manage the more frequent collection cycle. From the quarterly submission data an estimate would be made for the activity for the year in question.

We anticipate set up costs to NCVER of the order of \$0.65m-\$0.8m, and ongoing costs of \$0.25m-\$0.3m per annum. There will be additional costs to state training authorities and RTOs.

Approval processes for future changes to the AVETMIS Standard

Mechanisms will need to put in place to ensure that we can accommodate changes in the standard to keep it up to date to meet stakeholder needs.

A survey approach (Option 2)

Option 2 (a survey approach) is identical to option 3 (a full collection) with the exception that each year a sample of RTOs are selected and the requirements would not necessarily be mandated in the legislative data requirements.

A survey approach would be a poor option:

- To provide reliable estimates of total VET activity it would need to be compulsory and collected to the AVETMIS standard. This would mean that all providers would need to have an AVETMISS compliant student management system – the single greatest cost to providers under option 3.
- A survey, even if compulsory, would not provide individual RTO level data which are needed for regulatory purposes and to satisfy the desire for consumer information about RTOs. Moreover students would not be able to obtain transcripts from the national VET data base, thus negating any implementation of a unique student identifier.
- A voluntary survey would not provide reliable estimates because response is likely to be very poor. Any estimates are likely to suffer from significant non-response bias.