

Quality is the hallmark of a well-regulated VET system

Key points

1. Quality leadership by TAFE is critical to Australia's reputation as a leader in education, and at a domestic level, sustainable Australian technical and vocational education and training system.
2. The federal regulator should adopt a transparent, risk-based regulatory framework and work closely with governments to align risk, student loans and access to government funding.
3. Low risk providers like TAFE Institutes, who have demonstrated a commitment to improving student outcomes, should be granted a range of full delegations under the risk-based regulatory framework; this includes authority to alter scope of registration, and to accredit courses.

Protecting student interests is paramount

The future of vocational education and training (VET) graduates depends on the quality of providers.

Training must support quality outcomes for graduates, assessments must reflect the needs of the workplace, and training must be fairly priced. Ultimately, high quality vocational education allows enterprises to secure with its skilled workforce performance at higher levels, resulting in better productivity and growth and, ultimately the creation of new and better jobs.

Revelations have shown numerous for-profit private providers were granted registrations and access to VET FEE HELP Commonwealth loans for students, yet acted fraudulently. The result showed many private colleges misused millions from taxpayer funds by deceiving

students with flimsy delivery training practices, poor assessment and price-gouging. Many students have completed qualifications only to see them recalled. Vulnerable people have assumed debt beyond their capacity to pay, for qualifications they cannot complete. Many have unwittingly 'burned' government-funded training entitlements on flawed programs which have not improved graduates' career prospects.

Protecting student interests protects the national interest: it ensures that public funds are responsibly managed and that the standard and type of skills achieved through training are closely aligned with industry demand.

Introduce a transparent, risk-based regulatory regime for student protection

A risk-based regulatory regime is the best way to protect student interests.

Focusing on consistently strong student outcomes over time, alongside financial viability indicators, enables regulators to differentiate high and low quality VET providers rather than focusing on compliance.

TAFE Institutes, including our six dual sector universities with TAFE divisions, represent low risk providers. TAFE students represent the majority of enrolments and completions in government-funded training.

While governance and reporting arrangements vary across jurisdictions, all TAFE Institutes report annually to state and territory governments and their financial status is reviewable by the relevant auditor-general. Their performance is open to public scrutiny.

A provider classification system, as part of the risk management framework, would acknowledge the diversity of VET providers and provide a way for students, industry and the national regulator, the Australian Skills Quality Agency (ASQA) to distinguish between these providers. This would enable ASQA to identify a range of providers from those that require a lighter regulatory touch through to those that require constant monitoring.

TEQSA regulates public universities using a risk-based framework and a provider classification system. Applied to VET, risk-based regulation would mean low risk providers like TAFE Institutes have increased self-governance and delegated authority, and less onerous and less frequent compliance audits.

Under risk-based regulation, providers categorised as low risk would be granted delegation to alter their scope of registration and to accredit courses. This would support them to respond quickly to industry demand and learner needs, improve efficiency and effectiveness, and reduce operational costs.

A risk-based framework would permit ASQA and state regulators to apply limited resources to examining the compliance and registration status of medium and high risk VET providers.

Despite some private providers' callous disregard for student interests, and new regulations to counter such behaviour, ASQA's funding is reduced in the 2016 Federal Budget. A risk-based framework would enable the national regulator to design a targeted compliance and audit strategy. Recent circumstances, and reducing resources, demand a new approach.

TAFE Directors Australia recommends that:

A transparent, risk-based regulatory regime is introduced that reduces the regulatory burden on TAFE and other low risk providers and implements a provider classification system.

That ASQA broadens delegated authorities for TAFE and other low risk providers, including authority to alter scope of registration and for course accreditation.